

179th year

QUARTERLY REPORT

Q1 2021



SPAREBANKEN
ØST

Interim financial statements, Q1 2021

Key figures - Group	3
Board of Directors' Report	4
Financial statements for the Sparebanken Øst Group	
Income Statement	15
Balance Sheet	16
Changes in Equity	17
Cash Flow Statement	18
Note 1 Basis for preparation of the financial statements	19
Note 2 Operating segments	20
Note 3 Capital adequacy	21
Note 4 Losses on loans, unused credit and guarantees	23
Note 5 Non-performing commitments, customers	27
Note 6 Deposits from customers by sector and industry	28
Note 7 Loans to customers by sector and industry	28
Note 8 Geographical distribution of lending, customers	28
Note 9 Credit risk	29
Note 10 Classification of financial instruments	31
Note 11 Financial instruments at fair value	33
Note 12 Securities issued and subordinated loan capital	35
Note 13 Financial derivatives	36
Note 14 Financial derivatives - offsetting	37
Note 15 Net interest income	38
Note 16 Net changes in value and gains/losses on financial instruments	38
Note 17 Operating costs	38
Note 18 Guarantee liability and other off-balance sheet items	39
Note 19 Equity certificates	39
Financial Statements for Sparebanken Øst Parent Bank	
Income Statement	41
Balance Sheet	42
Changes in Equity	43
Cash Flow Statement	44
Additional Information - Sparebanken Øst Group	
Key figures	45
Definition of key figures and alternative performance indicators	46
Financial performance	47
Balance sheet performance	48

Key figures - Group

Income Statement (Amounts in NOK millions)	Q1 2021	Q1 2020	Year 2020
Net interest income	151,2	164,6	632,1
Net commission income	7,5	10,6	35,1
Net result from financial assets	2,2	-28,5	148,1
Other operating income	3,8	22,5	29,3
Total net income	164,7	169,2	844,7
Total operating costs	78,9	80,4	296,0
Profit/loss before losses	85,8	88,8	548,7
Losses on loans, unused credit and guarantees	2,6	7,6	15,1
Profit/loss before tax costs	83,2	81,2	533,6
Tax costs	18,6	12,2	80,4
Profit/loss after tax	64,6	69,0	453,1
Key figures	Q1 2021	Q1 2020	Year 2020
Profitability			
Return on equity*	6,19	7,00	11,47
Net interest income as a percentage of average total assets	1,36	1,54	1,46
Profit after tax as a percentage of average total assets	0,58	0,65	1,05
Costs as a percentage of average total assets	0,71	0,75	0,68
Costs as a % of income (before losses on loans/guarantees)*	47,92	47,50	35,04
Costs as a % of income (excl. return on financial investments)*	48,57	40,66	42,50
Balance sheet figures			
Net lending to customers	38.441,0	33.735,1	35.443,8
Lending growth (12 months)	13,95	-5,31	3,56
Deposits	15.748,6	14.313,7	14.845,1
Deposit growth (12 months)	10,02	-3,65	0,36
Average equity	4.001,6	3.686,9	3.812,9
Average total assets	45.236,2	42.993,0	43.299,0
Loss provisions on impaired and non-performing commitments			
Losses as a % of net lending to customers (OB)*	0,03	0,09	0,04
Loss provisions as a percentage of gross lending to customers*	0,33	0,35	0,35
Net payments over 90 days past due as a percentage of net lending*	0,26	0,40	0,29
Other net non-performing commitments (Stage 3) as a percentage of net lending*	0,06	0,04	0,02
Financial strength			
CET1 capital ratio incl. 50% of retained earnings (%)	17,75	17,81	17,96
CET1 capital ratio (%)	17,61	17,64	17,96
Tier 1 capital ratio (%)	19,28	19,43	19,67
Capital adequacy ratio (%)	21,20	21,21	21,34
Risk-weighted volume (calculation basis)	20.879,4	19.579,4	20.471,4
Tier 1 leverage ratio incl. 50% of retained earnings (%)	8,59	8,71	9,03
Tier 1 leverage ratio (%)	8,53	8,64	9,03
Liquidity			
Deposit coverage ratio	40,97	42,43	41,88
LCR (%)	254,25	278,50	266,93
Branches and FTEs			
No. of branches	29	29	29
FTEs	187	192	184
Equity certificates			
Ownership fraction (parent bank) (%)**	29,59	31,40	31,40
No. of equity certificates	20.731.183	20.731.183	20.731.183
Book equity per equity certificate*	58,55	59,92	61,18
Earnings per equity certificate*	0,87	0,97	6,62
Dividend per equity certificate***	0,00	0,00	4,50
Turnover rate	24,90	26,54	20,64
Price	51,00	41,00	51,40

* Defined as alternate performance target

** For ownership fraction at 01.01.2021, see Note 19

*** The dividend per equity certificate for 2020 was up to NOK 4.50, where NOK 3.50 was paid out following the Board of Trustees' resolution on 25 March 2021 and where the Board of Trustees granted the Board of Directors special authorisation to make a decision on paying a dividend of up to NOK 1.00 at the earliest on 01.10.2021 and by no later than the annual meeting of the Board of Trustees in 2022.

For definisjon av nøkkeltall og omtale av alternative resultatmål, se side 46

Board of Directors' Report

Sparebanken Øst is seeing a large influx of new customers and has seen high growth in lending in the quarter and past 12 months. The growth rates were 8.46 per cent and 13.95 per cent, respectively. The deposit growth rates for the same periods were 6.09 per cent and 10.02 per cent. Strong competition for the best mortgage customers, higher money market rates and reduced deposit margins contributed to a NOK 13.4 million reduction in net interest income compared with the same quarter last year.

Net other operating income increased by NOK 8.9 million compared with the same period last year. The value of the liquidity portfolio increased by NOK 0.8 million in the quarter compared with a NOK 29.8 million decrease in the same period last year. NOK 19.8 million in gains from the sale of properties was recognised as income in Q1 2020. Changes in customer behaviour due to the Covid-19 pandemic contributed to a decrease in commission income, which was down NOK 3.0 million compared with the same quarter last year.

The bank practises very good cost control and total operating costs were reduced by NOK 1.5 million compared with the same period last year. Losses on loans were very low and amounted to NOK 2.6 million, compared with NOK 7.6 million in the same quarter last year.

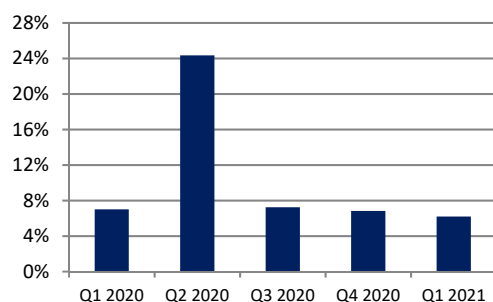
Sparebanken Øst calculates its capital adequacy using the standard method and therefore uses very high capital weights for its lending to retail customers and business customers compared with IRB banks. The bank achieved a profit after tax of NOK 64.6 million for Q1 2021, which represents a return on equity of 6.19 per cent. Earnings per equity certificate in the quarter were NOK 0.87. The bank is very sound with a leverage ratio of 8.59 per cent and a CET1 capital ratio of 17.75 per cent, both of which include 50 per cent of the equity certificate holders' and primary capital's shares of the profit for the year to date.

Quarterly profit

Sparebanken Øst achieved a profit after tax of NOK 64.6 million for Q1 2021. The corresponding profit after tax for Q1 2020 was NOK 69.0 million.

The return on equity for the quarter was 6.19 per cent, compared with 7.00 per cent for the same quarter in 2020.

The table below presents the return on equity over the past five quarters.

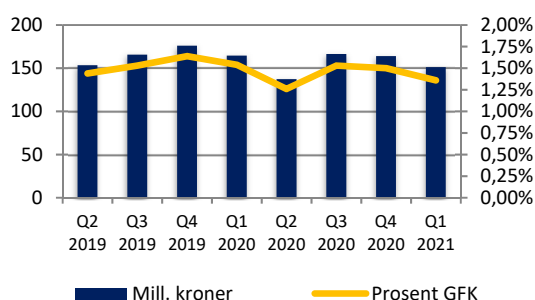


Net interest income

Net interest income amounted to NOK 151.2 million in Q1 2021, compared with NOK 164.6 million in the same quarter in 2020. Net interest income amounted to 1.36 per cent of

average total assets in the quarter. The comparative figure for the same quarter in 2020 was 1.54 per cent. Competition for the best mortgage customers, temporarily higher money market rates from the middle of December 2020 and reduced deposit margins due to lower interest rates contributed to a reduction in net interest income compared with the same quarter last year.

The figure below shows net interest income in per cent and NOK in the past eight quarters.



Net other operating income

Net operating income comprises commission income and costs, dividends, net changes in value and gains/losses on financial instruments and other operating income. Net other operating income amounted to NOK 13.5 million in Q1 2021, compared with NOK 4.6 million in the same quarter of 2020.

- Net commission income amounted to NOK 7.5 million, a decrease of NOK 3.0 million compared with the same quarter last year. The reduction was mainly due to fewer money-transfer transactions compared with the same quarter last year.
- Dividends recognised as income amounted to NOK 2.2 million in the quarter compared with NOK 5.2 million in the same quarter in 2020. NOK 2.1 million was recognised in Q1 2021 as income from dividends from Eksportfinans ASA compared with NOK 5.1 million in the same quarter last year.
- Net changes in value and gains/losses on financial instruments amounted to NOK

0.0 million for Q1 2021, compared with a loss of NOK 33.7 million in the same period of last year. The value of the liquidity portfolio increased by NOK 0.8 million during the quarter. By comparison, its value fell by NOK 29.8 million in the same quarter in 2020 due to the outbreak of Covid-19 and the subsequent market turmoil. The negative change in value linked to shares and share rights in Visa Inc. amounted to NOK 1.5 million compared with a positive change in value of NOK 3.5 million in the same quarter in 2020. The net financial impact of currency, derivatives and fixed-rate lending at fair value was positive at NOK 0.7 million in Q1 2021, compared to a negative impact of NOK 6.1 million in the same quarter last year. The cost of buying back the bank's own issued debt amounted to NOK 1.2 million in the same quarter last year.

- Other operating income amounted to NOK 3.8 million in Q1 2021, compared with NOK 22.5 million in the same quarter of 2020. The reduction was primarily attributable to a one-time gain of NOK 19.8 million from sales of properties in Q1 2020.

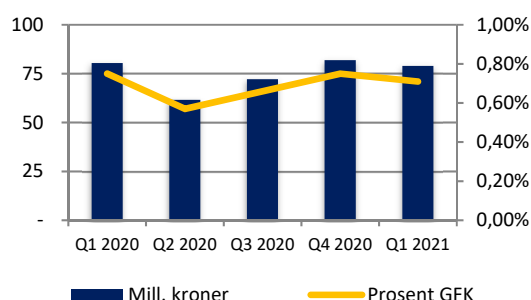
Operating costs

Total operating costs were NOK 78.9 million in Q1 2021, equivalent to 0.71 per cent of average total assets. In Q1 2020, total operating costs amounted to NOK 80.4 million, or 0.75 per cent. The changes concern the following:

- Payroll costs amounted to NOK 47.0 million compared with NOK 46.6 million in the same quarter last year.
- Administrative costs amounted to NOK 14.3 million in Q1 2021, compared with NOK 14.9 million in the same quarter of 2020.
- Depreciation amounted to NOK 6.9 million compared with NOK 6.5 million in Q1 2020.

- Other operating costs amounted to NOK 10.8 million in Q1 2021, compared with NOK 12.4 million in the same quarter of 2020. The reduction was mainly due to less use of external assistance as well as lower costs for properties and premises.

The figure below shows the total operating costs in NOK millions and as a percentage of the average total assets for the last five quarters.



Impairment and non-performing commitments

Impairment losses on loans to customers, unused credits and guarantees amounted to NOK 2.6 million in Q1 2021, compared with NOK 7.6 million in Q1 2020.

At the end of the quarter, total loss provisions amounted to NOK 128.1 million, equating to 0.33 per cent of gross lending to customers. By comparison, total loss provisions amounted to NOK 119.3 million, equating to 0.35 per cent of gross lending to customers at the end of Q1 2020. Individually assessed loss provisions amounted to NOK 91.9 million at the end of Q1 2021, compared with NOK 84.9 million at the end of Q1 2020.

The economic outlook is generally considered unchanged compared with the end of 2020, and uncertainty about the long-term effects of the Covid-19 pandemic remains. The probability weighting of macro scenarios for estimating loss given default remained unchanged at the end of Q1 2021 compared with the end of 2020. Model-calculated loss provisions in Stage 1 and Stage 2 amounted to NOK 35.8 million at the end of Q1 2021 compared with NOK 33.4 million at the end of

Q1 2020. Loss provisions on non-performing commitments (Stage 3) increased by NOK 6.5 million compared with the same quarter last year and amounted to NOK 92.3 million, of which NOK 87.7 million was related to commitments in AS Financiering.

Special authorisation to pay out dividends for 2020

In its consideration of the annual financial statements for 2020, the Board of Trustees resolved on 25.03.2021 that distributed dividends would be paid out in line with the Ministry of Finance's recommendations and that a dividend of NOK 3.50 per equity certificate (NOK 72.6 million in total) and provisions for good causes totalling NOK 5.7 million would be paid out in the ordinary manner. The Board of Trustees also resolved to grant the Board of Directors special authorisation to decide to pay out a dividend of up to NOK 1.00 per equity certificate (totalling up to NOK 20.7 million) and grants for good causes totalling up to NOK 20.2 million at the earliest on 01.10.2021, and by no later than the annual meeting of the Board of Trustees in 2022, if the capital situation and the authorities' guidelines so permit.

Until such time as the Board of Directors decides to make the payments, the sums concerned will be reported as equity in the accounts and included in the key figure book equity per equity certificate. However, they will be deducted when calculating the group's capital adequacy, ownership fraction as at 01.01.2021, and return on equity.

Balance sheet as at 31.03.2021

Total assets increased by NOK 2,802.5 million compared with 31.03.2020 and amounted to NOK 46,402.6 million at the end Q1 2021.

Assets

- Cash and receivables at central banks amounted to NOK 421.8 million as at 31.03.2021, compared with NOK 620.1 million as at 31.03.2020.
- Net lending to financial institutions amounted to NOK 12.9 million as at 31.03.2021, compared with NOK 10.2 million as at 31.03.2020.
- Net lending to customers amounted to NOK 38,441.0 million as at 31.03.2021, compared with NOK 33,735.1 million as at 31.03.2020. This represents an increase of NOK 4,705.8 million in the past 12 months, or 13.95 per cent. The bank has seen considerable movement in its lending portfolio in the past 12 months. The bank's lending volume was reduced in the period up to Q4 2020 as a result of strategic choices made by the bank when the pandemic hit Norwegian society. Lending grew significantly from and including Q4 2020. The growth came as a result of the bank's 'Nybygger.no' campaign, which is specifically targeted as the market's very best mortgage customers. This is also affecting development of the bank's net interest income. Gross lending to retail customers accounted for 87.9 per cent of total lending to customers.
- Holdings of certificates and bonds amounted to NOK 6,238.7 million as at 31.03.2021, compared with NOK 7,936.2 million as at 31.03.2020. Liquidity reserves measured using LCR totalled 254.25 per cent as at 31.03.2021, compared with 278.50 per cent as at 31.03.2020. The bank's liquidity strategy involves a high proportion of securities that are included in the LCR calculation. The maturity structure for market funding significantly affects LCR.
- Shares and units amounted to NOK 801.0 million as at 31.03.2021, compared with NOK 633.1 million as at 31.03.2020.

The bank's stake in Frende Holding AS was 13.75 per cent, and the shareholding was valued at NOK 481.2 million as at 31.03.2021.

The bank owns 4.85 per cent of the shares in Eksportfinans ASA, and the shareholding was valued at NOK 195.0 million as at 31.03.2021.

Balder Betaling AS is owned by several independent banks, and its main purpose is to own these banks' shares in Vipps AS. The bank owns a 0.70 per cent stake in Vipps AS. The bank's shares in Balder Betaling AS were valued at NOK 31.0 million as at 31.03.2021. The valuation was based on the underlying share value in Vipps AS.

The bank owns 6.85 per cent of the shares in Kraft Bank ASA. The shareholding was valued at NOK 28.8 million as at 31.03.2021.

The bank owns 'C' shares in Visa Inc. The shareholding was valued at NOK 34.4 million as at 31.03.2021. The bank also has rights to shares in Visa Inc., owned via VN Norge Forvaltning AS and VN Norge AS. The rights were valued at NOK 13.4 million as at 31.03.2021.

In Q1 2021, the bank's stake in Norwegian Block Exchange AS (NBX) was reduced from 14.1 per cent to 9.92 per cent as a result of a private placement. The bank did not participate in the share issue. The shareholding was valued at NOK 15.0 million as at 31.03.2021.

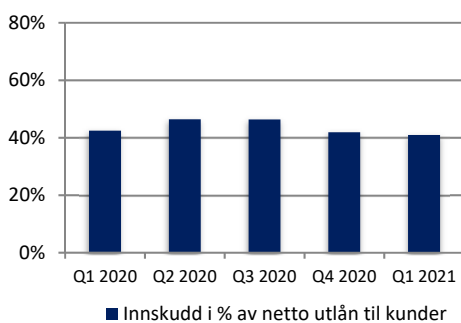
Liabilities

- Deposits from customers amounted to NOK 15,748.6 million as at 31.03.2021, compared with NOK 14,313.7 million as at 31.03.2020. This is an increase of NOK 1,434.9 million, or 10.02 per cent, in the past 12 months. The deposit coverage ratio in the group at the end of Q1 2021

was 40.97 per cent, compared with 42.43 per cent at the end of Q1 2020.

- Securities issued amounted to NOK 24,912.5 million as at 31.03.2021, compared with NOK 23,394.7 million as at 31.03.2020. The degree of stable and long-term financing measured by NSFR was 121.41 per cent as at 31.03.2021, compared with 121.44 per cent as at 31.03.2020. The average maturity for market funding was 3.19 years as at 31.03.2021, compared with 3.22 years as at 31.03.2020. As part of the phasing-in plan for MREL in Q1 2021, the bank has issued senior non-preferred debt (SNP) with a nominal value of NOK 400 million.
- Other borrowing amounted to NOK 300.9 million as at 31.03.2021, compared with NOK 602.5 million as at 31.03.2020.
- Short-term borrowing (defined as borrowing with a remaining term to maturity of less than 1 year) amounted to NOK 3,822.0 million as at 31.03.2021.

The figure below shows the loan to deposit ratio for the past five quarters.

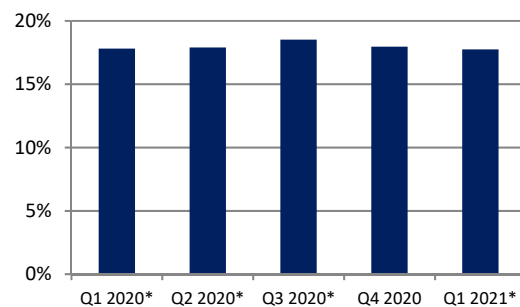


Capital adequacy

- The capital adequacy ratio measured as CET1 capital including 50 per cent of equity certificate holders' and primary capital's shares of the profit for the year to date amounted to 17.75 per cent at the end of Q1 2021, compared with 17.81 per cent at the end of the same quarter last year.

- The applicable Pillar 2 requirement for Sparebanken Øst is 1.8 per cent, although a minimum of NOK 360 million. The requirement came into effect on 30.06.2020. Given the current level of the countercyclical buffer of 1 per cent, this entails a total CET1 capital requirement of at least 12.8 per cent. Sparebanken Øst's target for CET1 capital is 14.75 per cent.
- Net primary capital at the end of Q1 2021 amounted to NOK 4,426.0 million, of which NOK 4,026.0 million constituted the group's CET1 capital. Given a calculation basis of NOK 20,879.4 million, this corresponds to a capital adequacy ratio of 21.20 per cent, of which 19.28 per cent constitutes the CET1 capital ratio. The bank uses the standardised approach to calculate the minimum primary capital adequacy requirement for credit risk.
- The leverage ratio, inclusive of 50 per cent of the equity certificate holders' and primary capital's shares of the profit for the year to date, amounted to 8.59 per cent at the end of Q1 2021, compared with 8.71 per cent at end Q1 2020. The unweighted requirement for CET1 capital is 5.0 per cent.

The figure below shows the development in CET1 capital over the last five quarters.



* 50 per cent of the share of profits accruing to equity certificate holders and primary capital is included in the quarterly figures.

Risk

Credit risk

Sparebanken Øst has a credit strategy that deals with various types of credit risk related to loans, credits and guarantees granted to customers in the retail and business markets, as well as counterparty risk for securities.

The credit strategy is intended to help ensure that the bank's activities in the credit area are in line with the framework conditions and guidelines in the bank's overall business concept and strategic plans, including ensuring that the activities are prudent in relation to the bank's capacity and willingness to bear risk. The credit strategy is implemented in the bank's credit manuals and in other instructions.

The bank has an established credit portfolio of a quality and composition that ensures the bank's profitability in the short and long term, and ensures that the bank's management of credit risk is in accordance with the requirements stipulated in acts, regulations, directives from the authorities and other regulatory conditions.

Within the retail and business markets, the capacity and willingness to pay are key aspects of the credit assessments. The Lending Regulations provide essential guidance to the bank's lending business to private individuals. The level of risk for lending to customers is measured by classifying customers according to risk. Risk classification has been established as an integral element of the credit process, and the requirement for the annual reclassification of loan commitments is fulfilled. Credit risk trends are monitored continuously through reports to the bank's executive management and quarterly reports for the bank's Board of Directors.

The bank's geographical coverage provides access to a large market area with flexibility with regard to customers and segments. The bank's loan portfolio is primarily spread across the central Eastern Norway area. The low proportion of lending to the business market contributes to a lower overall credit risk for the bank. Exposure to commercial property represents a relatively large proportion of the business portfolio, but a limited proportion of the bank's total loan portfolio.

The bank has no exposure to oil, oil-related activities, fishing or aquaculture activities. In general terms, the bank can also be said to have very little direct or indirect exposure to the accommodation/ hospitality industry, import/export businesses, major industry and trading operations. There is also very little direct or indirect exposure to trading activities with the exception of groceries. As with last year, the contact with the bank's business customers remained close in order to follow up on any consequences of Covid-19. The bank's monitoring and assessment indicates that the loan portfolio is robust, and the risk associated with it low. The use of temporary interest-only periods as a result of Covid-19 is low and accounted for 0.1 per cent of the business market portfolio at the end of Q1 2021. Few applications have been received for the government's guaranteed loan scheme and no new loans have been granted through this scheme so far in 2021.

Loans and credits to the retail market are generally only granted against home mortgages. The bank's exposure to lending and credit without associated security is low. Given the group's high share of loans to the retail market, which is primarily distributed in geographic terms throughout the central area of Eastern Norway, the retail market portfolio is considered to have security and capacity to service debt in a housing and labour market that is expected to remain fully functional in the longer term.

Temporary interest-only periods as a result of Covid-19 were granted on the basis of furlough notices and were generally granted for the period March to May 2020. At the end of Q1 2021, the volume of temporary interest-only periods as a result of Covid-19 has been reduced significantly and constitutes a total of 0.4 per cent of the retail market portfolio and 0.1 per cent in AS Financiering.

The bank also assumes credit risk through managing liquidity reserves and excess liquidity. The bank intends to retain interest-bearing securities with low credit risk for liquidity purposes (reserve for disposal when needed) and as a deposit basis for borrowing facilities at the central bank. The bank's credit risk is monitored continuously, and updated overviews of the bank's total counterparty risk are available.

Market risk

Sparebanken Øst has a financial strategy that is intended to help to ensure that the bank's activities in the area of finance are in line with the framework conditions and guidelines in the bank's overall business concept, strategic plans and budgets, and also to ensure that the activities are prudent in relation to the bank's capacity and willingness to bear risk. The financial strategy is also intended to ensure that the bank's management of financial risk complies with the requirements stipulated in acts, regulations, directives from the authorities, and other regulatory conditions. Sparebanken Øst has a liquidity portfolio comprising interest-bearing securities that are primarily issued by Nordic financial institutions, Norwegian banks, municipalities, the central government and government-guaranteed companies. Through this, the bank takes credit spread risk.

The interest rate risk is kept within fixed limits and is limited in that assets and liabilities mainly have variable interest rates or are swapped to variable interest rates. Currency risk is reduced by entering into forward contracts or basis swaps. The bank has very little interest rate and currency risk. Exposure to equity instruments beyond the bank's

subsidiaries and strategic investments is limited.

Liquidity risk

Sparebanken Øst takes a conservative approach to liquidity risk and seeks to ensure proper liquidity management so that the group has sufficient liquid assets to cover its obligations upon maturity at all times. The group must be able to carry out normal operations for a period of at least 12 months without access to external financing. The group's liquidity is governed by established frameworks for, amongst others, LCR, NSFR and stress tests.

Sparebanken Øst issues covered bonds through the bank's wholly owned mortgage credit company. Covered bonds with long maturities are generally issued, while senior bond loans are issued with maturities that fit the existing maturity profile at any time.

At the end of Q1 2021, the group's liquidity situation was very robust.

Operational risk

Operational risk is the risk posed to the bank of losses resulting from inadequate or failing internal processes or systems, human error or malpractice, or external events. Operational risk also encompasses compliance risk, i.e. the risk of non-compliance with applicable legislation, regulations and internal governance documents.

Management and control of operational risk is safeguarded through the strategy for comprehensive risk management. The strategy is adopted by the board and evaluated at least once annually. The strategy clearly defines who is responsible for the establishment and implementation of the internal control. Measures are taken to try and keep operational risk at a low level. Operational risk is monitored through annual reviews of the bank's key processes, established internal controls with annual management confirmation of implemented internal controls, and quarterly reporting of events recorded and risk level assessments for the Board of Directors. Risk identification and

risk management of the various departments' operational risk is assured by, among other things, workshops initiated by the compliance department. The group has not registered significant losses due to the failure of internal processes, systems, human error or unforeseen events in Q1 2021.

Rating

On 29.01.2021, Moody's Investors Service upgraded Sparebanken Øst's ratings long-term and issuer ratings from A2 to A1. The upgrade was based on the bank's expected issuance of senior non-preferred debt due to the publication of the bank's MREL requirement on 15.12.2020. With an expected increase in non-preferred debt, the risk of losses on deposits and ordinary senior debt is considered to be lower. The outlook for all of the bank's ratings is stable. Covered bonds issued by Sparebanken Øst Boligkreditt AS have an AAA rating from Moody's.

Subsidiaries

Sparebanken Øst Boligkreditt AS is a wholly-owned subsidiary of Sparebanken Øst and its purpose is to grant or acquire residential mortgages, commercial mortgages, loans, secured against other real estate assets or public loans, and to finance lending operations primarily by issuing covered bonds. The company has a low loan-to-value (LTV) ratio in the cover pool. The loan-to-value ratio at the end of Q1 2021 was 46.7 per cent, compared with 47.7 per cent at the end of Q1 2020.

As at 31.03.2021, the company's total assets amounted to NOK 20,058.3 million and mainly consist of first priority home mortgages, which are financed via covered bonds and drawing rights on the parent company. The company's paid-up equity is NOK 1,150.0 million, of which NOK 426.4 million is share capital and NOK 723.6 million makes up the share premium account. As at the end Q1 2021, the profit after tax amounted to NOK 29.3 million compared with NOK 20.4 million for the same

period last year. The company has no employees, rather it sources services from Sparebanken Øst.

AS Financiering is a wholly owned subsidiary of Sparebanken Øst. Its main product is providing loans for second-hand cars with collateral in the purchased car. The company posted a profit after tax of NOK 12.1 million in Q1 2021, compared with NOK 10.2 million in the same period last year. Total assets amounted to NOK 2,287.5 million. The company had 17 employees, corresponding to 17 FTEs at the end of Q1 2021.

Sparebanken Øst Eiendom AS is a wholly owned subsidiary of Sparebanken Øst and is tasked with managing properties owned by the Sparebanken Øst Group. The company's operating income amounted to NOK 1.3 million in Q1 2021, compared with NOK 21.5 million for the same period last year. NOK 19.8 million in gains from the sale of properties was recognised as income in Q1 2020. The profit after tax amounted to NOK 0.2 million for Q1 2021, compared with NOK 20.0 million for the same period last year. Besides the general manager, who is paid by the company and accounts for 0.2 of an FTE, the company had one employee equivalent to 1 FTE.

Øst Prosjekt AS is a wholly owned subsidiary of Sparebanken Øst and its primary purpose is to take over projects and undertake industrial and commercial activities to hedge and realise exposed positions in the parent bank. The company has no employees. The profit after tax amounted to NOK 2.0 million in Q1 2021, compared with a loss of NOK 0.1 million for the same period last year.

Øst Inkasso AS is a wholly owned subsidiary of Sparebanken Øst. A decision was made to wind up the debt recovery company by transferring its business to Lindorff AS with effect from 01.01.2021. The result after tax was a loss of NOK 0.1 million compared with a loss of NOK 0.4 million for the same period last year.

Frende Forsikring

Frende Holding AS owns Frende Skade AS and Frende Liv AS (Frende Forsikring). The bank has a 13.75 per cent stake in the holding company. As at 31.03.2021, Frende is owned by 14 savings banks and three Varig insurance companies, where Sparebanken Vest is the largest shareholder and Sparebanken Øst is the third largest. Frende Forsikring's head office is in Bergen. Frende Holding AS achieved a profit after tax of NOK 59.9 million for Q1 2021, compared with a loss after tax of NOK 107.3 million for the same period last year.

Accounting Policies

The interim financial statements are prepared in accordance with IFRS (including IAS 34 Interim Financial Reporting). The interim financial statements have not been audited. Refer to note 1 for more details.

Dividend policy

Sparebanken Øst's financial targets for its operations are to achieve results that provide a good and stable return on the bank's equity and create value for equity certificate holders as competitive returns in the form of dividends and equity certificate appreciation. The profit for the year will be divided between equity certificate holders and social capital in accordance with their respective shares of the bank's equity.

Sparebanken Øst will endeavour to pay 50 to 75 per cent of the profit allocated to equity certificate holders as dividends. Sparebanken Øst also aims to distribute an amount equivalent to 50 to 100 per cent of the dividend paid to equity certificate holders as dividend to social capital in the form of grants for good causes. On determining dividends and donations, due consideration will be made of the bank's financial performance, market situation, dividend stability, and need for Tier 1 capital.

Macroeconomic trends

The development of the Norwegian economy was negatively impacted in Q1 by the infection control measures, which were further tightened in January. In February, Mainland GDP fell by 0.5 per cent following a fall of 0.8 per cent in January. The measures impacted services linked to hospitality, transport and culture the hardest. These sectors will experience the greatest boost now that the vaccination process is well under way for the most vulnerable segments of the population. Most adults in Norway are expected to be vaccinated by the end of the summer.

After several months of rapid falls in the number of unemployed, the past few months' infection control measures resulted in a marginal increase in the number of unemployed. At the end of Q1, the proportion of completely unemployed was 4.1 per cent, a rise of 0.1 percentage points from February. House prices continued to rise throughout Q1. At the end of the quarter, house prices in Norway were 12.5 per cent higher than 12 months ago. The increase in house prices is broadly based and the number of sold homes in Norway in Q1 2021 was 13.2 per cent higher than in Q1 2020.

Norges Bank kept its key policy rate unchanged at the interest rate meeting in March but adjusted the interest rate curve. The first rise in interest rates is now expected to occur no later than in December 2021. The central bank stressed that the international economy had developed better than expected and pointed to a marked rise in house prices as a long-term risk factor.

There were relatively large movements in short-term and long-term interest rates in Q1. Tight liquidity in the banking market resulted in a rise in money market rates in December and this trend continued at the start of Q1. The 3-month NIBOR peaked at 0.54 per cent on 10 January and was gradually reduced during the quarter. At the end of Q1, the 3-month NIBOR was 0.38 per cent. Long-term interest rates rose based on expectations of

higher economic growth and higher inflation. The 10-year swap rate was 1.85 per cent at the end of Q1 following an increase of 0.56 percentage points during the quarter.

Inflation in March rose by 3.1 per cent (CPI) compared to the same month last year, while core inflation (CPI-ATE) was 2.7 per cent.

Outlook

The pandemic resulted in a sharp downturn in the Norwegian economy and is creating continued uncertainty about the longer-term health and economic consequences. The number of cases of infections has been falling recently, although the vaccination process is taking significantly longer than expected and is creating increased uncertainty about when society can be reopened to its new normal. In the opinion of Sparebanken Øst, it appears that the authorities have a good overview and are in a position to implement effective infection control measures.

Unemployment is expected to continue falling thanks to a growth in demand from households and increased rates of activity in society, although unemployment has risen marginally in the past few months. Turnover and pricing trends for housing are both developing positively supported by low rates of interest. Rising house prices support increased future house building following the postponement of multiple projects earlier in the pandemic. Economic activity in Norway is expected to increase going forward and the demand from households is expected to rise due to increased savings during the pandemic.

On 17 March, Norges Bank decided to keep its key policy rate at 0 per cent. At the same time, it indicated that the policy rate would probably be raised in H2.

Sparebanken Øst is a cost-effective bank and believes that low costs will constitute a competitive advantage going forward. Costs are expected to remain stable going forward,

however increased complexity may result in temporary cost increases.

Banking involves risking losses and non-performance, which means that losses on lending and guarantees to customers cannot be ruled out. The bank has conducted evaluations of its portfolio in light of the Covid-19 pandemic, and no circumstances have been identified to date that will result a risk of significant losses. The low rate of non-performing and impaired commitments and low losses on lending are expected to continue going forward.

The market values of securities such as bonds and equities will fluctuate over time, and losses on shares may occur. The group's bond portfolio is held for liquidity purposes, with a low risk of losses.

The group is very sound, which provides latitude, opportunities for growth and high potential dividends. The group also enjoys good liquidity, which will provide security if the banks' access to funding is challenged in the future.

Sparebanken Øst bases its capital calculations on the principles in the standard method. The government's regulation within the area of capital and financial strength is creating some major competitive advantages for a few large banks at the expense of the vast majority of Norwegian savings banks, including Sparebanken Øst. It is a matter of deep concern that the Norwegian authorities are choosing to discriminate against banks through the capital calculation regulations by treating equal risk differently. If the authorities choose to maintain this differential treatment it will have a major impact on the structure of the Norwegian financial services industry and on how individual savings banks will align their operations in the future. Sparebanken Øst will work to ensure that the framework conditions for Norwegian banks are equal and that competition between the banks can be maintained without the use of such means. In the bank's view, there is significant uncertainty relating to the framework conditions and future capital adequacy requirements for banks which

calculate capital requirements using the standard method.

Growth in lending to retail customers will primarily come from home mortgages and providing loans for second-hand cars that are secured by security in the purchased car. Growth in lending to business customers will be seen in the group's defined market areas, where the main product is repayment loans against mortgages in real estate. The bank assumes that the growth will follow the growth in credit in society over time.

As at 31.12.2020, the system risk buffer requirement increased by 1.5 per cent from 3.0 to 4.5 per cent, and a floor for the risk weighting of real property loans was introduced. In the case of banks that do not use IRB methods and are not essential to the system, the current requirements for 3.0 per cent will continue to apply until 31.12.2022. The Ministry of Finance's increase to systemic risk buffers is directly connected to the capital

reliefs provided for in Pillar 1 as a result of the introduction of CRR/CRD IV, which took effect on 31.12.2019, in which the Basel I floor for IRB banks was abolished and an 'SME discount' was introduced for lending to small and medium enterprises. For Sparebanken Øst, this will mean an increase in capital requirements as at 31.12.2022.

The countercyclical capital buffer requirement stands at 1.0 per cent after being reduced on 13.03.2020 by 1.5 per cent from 2.5 per cent in connection with the Covid-19 pandemic. There is reason to assume that the authorities will consider increasing the countercyclical buffer once the economy normalizes. Norges Bank has indicated that it expects to issue advice to increase buffer requirements again during 2021. The deadline for notification before any increase comes into force is 1 year.

Hokksund, 31.03.2021

Drammen, 11.05.2021

Øivind Andersson
Chair

Cecilie Hagby
Deputy Chair

Elly Therese Thoresen
Board member

Jorund Rønning Indrelid
Board member

Arne K. Stokke
Board member

Ole B. Hoen
Board member

Ole-Martin Solberg
Employee representative

Sissel Album Fjeld
Employee representative

Pål Strand
CEO

Income Statement – Group

(Amounts in NOK millions)	Note	Q1 2021	Q1 2020	Year 2020
Interest income from assets valued at amortised cost		215,1	306,7	992,9
Interest income from assets valued at fair value		16,2	43,8	128,6
Interest costs		80,0	185,9	489,3
Net interest income	15	151,2	164,6	632,1
Commission income and income from banking services		17,9	21,3	78,0
Commission costs and costs for banking services		10,4	10,7	42,9
Dividend		2,2	5,2	11,8
Net value changes and gains/losses on financial instruments	16	0,0	-33,7	136,3
Other operating income		3,8	22,5	29,3
Net other operating income		13,5	4,6	212,6
Payroll, etc.		47,0	46,6	167,4
Administration costs		14,3	14,9	57,4
Depreciation/write-downs/changes in value for non-financial assets		6,9	6,5	27,3
Other operating costs		10,8	12,4	43,9
Total operating costs	17	78,9	80,4	296,0
Profit/loss before losses		85,8	88,8	548,7
Losses on loans, unused credit and guarantees	4	2,6	7,6	15,1
Profit/loss before tax costs		83,2	81,2	533,6
Tax costs		18,6	12,2	80,4
Profit/loss after tax		64,6	69,0	453,1
Hybrid capital owners' share of the result		3,5	4,8	15,9
Equity certificate holders' and primary capital share of profits		61,1	64,2	437,2
Profit/loss after tax		64,6	69,0	453,1
Earnings per equity certificate		0,87	0,97	6,62
Diluted earnings per equity certificate		0,87	0,97	6,62

Total income - Group

(Amounts in NOK millions)	Note	Q1 2021	Q1 2020	Year 2020
Profit/loss after tax		64,6	69,0	453,1
Items that will not be reclassified to the income statement				
Actuarial gains and losses on defined-benefit plans		0,0	0,0	-2,4
Tax related to items that cannot be reclassified		0,0	0,0	0,6
Comprehensive income		64,6	69,0	451,4

Balance Sheet – Group

(Amounts in NOK millions)	Note	31.03.2021	31.03.2020	31.12.2020
Assets				
Cash and receivables from central banks	10,11	421,8	620,1	409,4
Loans to and receivables from financial institutions	10,11	12,9	10,2	13,4
Loans to and receivables from customers	4,7,8,10,11	38.441,0	33.735,1	35.443,8
Certificates and bonds	10,11	6.238,7	7.936,2	6.790,2
Shares and units	10,11	801,0	633,1	811,0
Financial derivatives	10,11,13,14	245,8	435,4	374,1
Investment properties		11,9	3,9	11,9
Tangible fixed assets		147,4	136,9	145,1
Lease rights		44,2	50,3	44,1
Other assets		16,5	14,8	14,9
Prepaid non-accrued costs and income earned, but not received		21,5	24,1	11,7
Total assets		46.402,6	43.600,1	44.069,7
Liabilities and equity				
Liabilities to financial institutions	10,11	300,9	602,5	601,0
Deposits from and liabilities to customers	6,10,11	15.748,6	14.313,7	14.845,1
Financial derivatives	10,11,13,14	18,0	21,7	17,9
Securities issued	10,11,12	24.912,5	23.394,7	23.111,0
Other liabilities		441,3	499,9	501,8
Accruals and deferred income		47,9	39,7	43,0
Other provisions and liabilities		63,0	67,8	62,9
Deferred tax liability		0,5	3,3	0,0
Lease liabilities		45,0	50,8	44,9
Subordinated loan capital	10,11,12	400,2	400,4	400,1
Total liabilities		41.977,7	39.394,5	39.627,7
Paid-up equity		595,1	595,1	595,1
Hybrid capital		351,8	352,3	351,7
Retained earnings		3.478,0	3.258,2	3.495,1
Total equity		4.424,9	4.205,7	4.442,0
Total liabilities and equity		46.402,6	43.600,1	44.069,7

Changes in Equity - Group

(Amounts in NOK millions)	Paid-up equity		Hybrid capital		Retained earnings					
	Total equity	Equity certificates	Share premium reserve	Additional Tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for unrealised gains	Other equity	Retained profit
31.03.2021										
Equity as at 31.12.2020	4.442,0	207,3	387,8	351,7	412,7	2.164,1	38,1	434,7	445,6	0,0
Ordinary result	64,6	0,0	0,0	3,5	0,0	0,0	0,0	0,0	0,0	61,1
Actuarial gains and losses on defined-benefit plans	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Comprehensive income	64,6	0,0	0,0	3,5	0,0	0,0	0,0	0,0	0,0	61,1
Dividend to equity certificate holders 2020 - adopted	-72,6	0,0	0,0	0,0	-72,6	0,0	0,0	0,0	0,0	0,0
Dividend to social capital 2020 - adopted	-5,7	0,0	0,0	0,0	0,0	-5,7	0,0	0,0	0,0	0,0
Interest paid on hybrid capital	-3,4	0,0	0,0	-3,4	0,0	0,0	0,0	0,0	0,0	0,0
Equity as at 31.03.2021	4.424,9	207,3	387,8	351,8	340,1	2.158,4	38,1	434,7	445,6	61,1

In connection with the allocation of the profit for the year for 2020, the Board of Trustees resolved on 25 March 2021 to grant the Board of Directors special authorisation to make a decision on paying out a dividend of up to NOK 20.7 million (up to NOK 1.00 per equity certificate) and grants for good causes totalling up to NOK 20.2 million at the earliest on 01.10.2021 and by no later than the annual meeting of the Board of Trustees in 2022, if the capital situation and the authorities' guidelines so permit.

Until the possible decision to make disbursements in line with the special authorisation is made, the dividends for equity certificate holders will be held as part of the equalisation fund and the grants for good causes as part of the primary capital.

(Amounts in NOK millions)	Paid-up equity		Hybrid capital		Retained earnings					
	Total equity	Equity certificates	Share premium reserve	Additional Tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for unrealised gains	Other equity	Retained profit
31.03.2020										
Equity as at 31.12.2019	4.141,5	207,3	387,8	352,4	405,7	2.045,5	38,1	277,5	427,2	0,0
Ordinary result	69,0	0,0	0,0	4,8	0,0	0,0	0,0	0,0	0,0	64,2
Actuarial gains and losses on defined-benefit plans	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Comprehensive income	69,0	0,0	0,0	4,8	0,0	0,0	0,0	0,0	0,0	64,2
Interest paid on hybrid capital	-4,8	0,0	0,0	-4,8	0,0	0,0	0,0	0,0	0,0	0,0
Equity as at 31.03.2020	4.205,7	207,3	387,8	352,3	405,7	2.045,5	38,1	277,5	427,2	64,2

(Amounts in NOK millions)	Paid-up equity		Hybrid capital		Retained earnings					
	Total equity	Equity certificates	Share premium reserve	Additional Tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for unrealised gains	Other equity	Retained profit
2020										
Equity as at 31.12.2019	4.141,5	207,3	387,8	352,4	405,7	2.045,5	38,1	277,5	427,2	0,0
Ordinary result	453,1	0,0	0,0	15,9	82,2	179,5	0,0	157,3	18,3	0,0
Actuarial gains and losses on defined-benefit plans	-1,8	0,0	0,0	0,0	-0,6	-1,3	0,0	0,0	0,1	0,0
Comprehensive income	451,4	0,0	0,0	15,9	81,6	178,3	0,0	157,3	18,4	0,0
Dividend to equity certificate holders 2019 - adopted	-74,6	0,0	0,0	0,0	-74,6	0,0	0,0	0,0	0,0	0,0
Dividend to social capital 2019 - adopted	-59,7	0,0	0,0	0,0	0,0	-59,7	0,0	0,0	0,0	0,0
Interest paid on hybrid capital	-16,6	0,0	0,0	-16,6	0,0	0,0	0,0	0,0	0,0	0,0
Equity as at 31.12.2020	4.442,0	207,3	387,8	351,7	412,7	2.164,1	38,1	434,7	445,6	0,0

Cash Flow Statement - Group

(Amounts in NOK millions)	31.03.2021	31.03.2020	31.12.2020
Operating activities			
Profit before tax	83,2	81,2	533,6
Adjusted for:			
Change in net interest income earned and accrued interest costs	17,9	24,2	-10,0
Net receipts/payments of loans to customers	-3.000,6	481,5	-1.247,1
Change in certificates and bonds	550,3	-1.174,2	-41,6
Changes in value of equities and units	1,5	-3,5	-161,5
Change in other assets in connection with operations	-18,6	22,5	31,6
Net receipts/disbursement of deposits from customers	890,5	-508,4	53,7
Change in other operating liabilities	-104,1	238,0	153,9
Non-cash items included in profit before tax costs	8,9	11,7	42,3
Net gain/loss from investing activities	0,0	-20,0	-20,2
Net gain/loss from financing activities	0,0	1,2	9,6
Taxes paid for the period	-50,4	-41,6	-99,5
Net cash flow from operating activities	-1.621,3	-887,4	-755,3
Investing activities			
Payments on purchases of tangible fixed assets	-7,3	-3,4	-33,5
Proceeds from sale of fixed assets	0,6	72,0	72,1
Net proceeds/costs on the sale/purchase of financial investments	8,5	0,0	-19,9
Net cash flow from investing activities	1,8	68,6	18,7
Financing activities			
Net incoming/outgoing payments for loans to/from financial institutions	-300,0	300,0	300,0
Payments on repayment of securities	-370,0	-1.162,4	-4.364,9
Proceeds on issuance of securities	2.304,9	1.998,0	4.997,1
Payment of dividend	0,0	0,0	-74,6
Interest paid on hybrid capital	-3,4	-4,8	-16,6
Net cash flow from financing activities	1.631,4	1.130,7	840,9
Net change in cash and cash equivalents	11,9	311,9	104,4
Cash and cash equivalents at 01.01.	422,8	318,4	318,3
Holding of cash and cash equivalents at the end of the period	434,7	630,3	422,8

Liquidity reserves include cash and deposits with central banks and loans to and deposits with financial institutions which are investment placements.

Additional information for operating activities concerning interest and dividend income	31.03.2021	31.03.2020	31.12.2020
Interest payments received	233,4	346,9	1.147,5
Interest payments made	64,4	158,0	523,5
Dividends received	2,2	5,2	11,8

Note 1 - Basis for preparation of the financial statements

Accounting Policies

The interim financial statements for the group have been prepared in accordance with IAS 34 Interim Financial Reporting (IFRS).

A description of the accounting policies applied in the preparation of the financial statements is presented in the Annual Report for 2020. The accounting policies and calculation methods remain largely unchanged from the annual financial statements for 2020.

All amounts are stated in NOK millions and relate to the group unless otherwise specified.
The interim financial statements have not been audited.

Assessments and use of estimates

The preparation of the consolidated accounts entails that the executive management performs estimates and discretionary assessments and makes assumptions which influence the effect of the application of accounting policies and, consequently, the recognised amounts for assets, liabilities, revenue and costs. For further details, see the Annual Report for 2020, Note 3 - Assessments and use of estimates.

Note 2 - Operating segments

Segment reporting is based on the bank's internal reporting format, where the parent bank and mortgage company are divided into retail market, business market and finance. There are also other subsidiaries, as well as a non-reportable segment with items that are not allocated to other segments.

Profit/loss

31.03.2021	Retail market	Corporate market	Finance	AS Financiering	Sparebanken Øst Eiendom AS	Unallocated	Eliminations	Group
Net interest and commission income	81,2	31,9	-5,4	33,6	-0,1	9,1	0,8	151,2
Other operating income	14,1	1,7	-0,1	-5,6	1,3	2,4	-0,4	13,5
Operating costs	15,3	4,2	0,0	9,3	0,9	50,6	-1,4	78,9
Profit/loss before losses	80,0	29,5	-5,5	18,7	0,3	-39,1	1,9	85,8
Losses on loans, unused credit and guarantees	1,3	-1,3	0,0	2,6	0,0	0,0	0,0	2,6
Profit/loss before tax costs	78,7	30,8	-5,5	16,2	0,3	-39,1	1,9	83,2
Tax costs	0,0	0,0	0,0	4,1	0,1	14,0	0,5	18,6
Profit/loss after tax	78,7	30,8	-5,5	12,1	0,2	-53,0	1,4	64,6

31.03.2020	Retail market	Corporate market	Finance	AS Financiering	Sparebanken Øst Eiendom AS	Unallocated	Eliminations	Group
Net interest and commission income	89,9	34,4	-7,2	30,3	0,0	16,4	0,9	164,6
Other operating income	14,3	2,4	-41,8	-4,6	21,5	8,0	4,8	4,6
Operating costs	15,0	5,6	0,0	8,4	1,4	51,4	-1,4	80,4
Profit/loss before losses	89,2	31,2	-49,0	17,3	20,1	-27,0	7,1	88,8
Losses on loans, unused credit and guarantees	0,9	3,0	0,0	3,6	0,0	0,0	0,0	7,6
Profit/loss before tax costs	88,3	28,2	-49,0	13,7	20,1	-27,1	7,1	81,2
Tax costs	0,0	0,0	0,0	3,4	0,1	7,0	1,8	12,2
Profit/loss after tax	88,3	28,2	-49,0	10,2	20,0	-34,1	5,3	69,0

31.12.2020	Retail market	Corporate market	Finance	AS Financiering	Sparebanken Øst Eiendom AS	Unallocated	Eliminations	Group
Net interest and commission income	351,0	134,4	-33,4	137,5	-0,4	39,4	3,6	632,1
Other operating income	54,9	7,9	-13,4	-20,9	25,2	167,0	-8,1	212,6
Operating costs	54,5	19,3	0,0	34,7	3,4	189,8	-5,7	296,0
Profit/loss before losses	351,4	123,0	-46,7	81,8	21,4	16,5	1,2	548,7
Losses on loans, unused credit and guarantees	0,4	3,6	0,0	11,1	0,0	0,0	0,0	15,1
Profit/loss before tax costs	351,0	119,4	-46,7	70,7	21,4	16,5	1,2	533,6
Tax costs	0,0	0,0	0,0	17,8	0,4	62,2	0,1	80,4
Profit/loss after tax	351,0	119,4	-46,7	53,0	21,1	-45,7	1,1	453,1

Balance sheet

31.03.2021	Retail market	Corporate market	Finance	AS Financiering	Sparebanken Øst Eiendom AS	Unallocated	Eliminations	Group
Loans to and receivables from customers	31.201,2	4.567,2	5,2	2.243,4	0,0	449,0	-25,1	38.441,0
Other assets	4,2	0,0	7.172,2	44,1	104,9	3.699,3	-3.063,1	7.961,7
Total assets	31.205,4	4.567,2	7.177,4	2.287,5	104,9	4.148,4	-3.088,2	46.402,6
Deposits from and liabilities to customers	10.195,2	3.729,3	1.714,4	0,0	0,0	166,1	-56,4	15.748,6
Other liabilities/offsetting	21.010,2	837,9	5.463,0	1.851,7	32,9	-290,0	-2.676,6	26.229,1
Equity	0,0	0,0	0,0	435,9	72,0	4.272,3	-355,2	4.424,9
Total liabilities and equity	31.205,4	4.567,2	7.177,4	2.287,5	104,9	4.148,4	-3.088,2	46.402,6

31.03.2020	Retail market	Corporate market	Finance	AS Financiering	Sparebanken Øst Eiendom AS	Unallocated	Eliminations	Group
Loans to and receivables from customers	26.286,4	4.871,6	11,0	2.111,9	0,0	473,8	-19,4	33.735,1
Other assets	6,3	0,0	8.871,4	45,0	142,8	3.507,5	-2.708,1	9.865,0
Total assets	26.292,7	4.871,6	8.882,4	2.156,8	142,8	3.981,3	-2.727,5	43.600,1
Deposits from and liabilities to customers	9.191,9	3.252,7	1.776,7	0,0	0,0	186,9	-94,6	14.313,7
Other liabilities/offsetting	17.100,8	1.618,8	7.105,6	1.777,6	36,4	-237,1	-2.321,4	25.080,8
Equity	0,0	0,0	0,0	379,2	106,4	4.031,5	-311,5	4.205,7
Total liabilities and equity	26.292,7	4.871,6	8.882,4	2.156,8	142,8	3.981,3	-2.727,5	43.600,1

31.12.2020	Retail market	Corporate market	Finance	AS Financiering	Sparebanken Øst Eiendom AS	Unallocated	Eliminations	Group
Loans to and receivables from customers	27.874,8	4.931,5	8,0	2.188,7	0,0	465,6	-24,7	35.443,8
Other assets	4,9	0,0	7.673,3	45,7	105,6	3.817,5	-3.021,2	8.625,9
Total assets	27.879,7	4.931,5	7.681,3	2.234,4	105,6	4.283,1	-3.045,9	44.069,7
Deposits from and liabilities to customers	9.500,2	3.519,9	1.734,7	0,0	0,0	149,1	-58,8	14.845,1
Other liabilities/offsetting	18.379,5	1.411,6	5.946,5	1.810,6	33,8	-168,8	-2.630,8	24.782,6
Equity	0,0	0,0	0,0	423,8	71,8	4.302,8	-356,4	4.442,0
Total liabilities and equity	27.879,7	4.931,5	7.681,3	2.234,4	105,6	4.283,1	-3.045,9	44.069,7

Note 3 - Capital adequacy

The Group uses the standardised approach when calculating minimum requirements for primary capital for credit risk. The calculation related to operational risk is performed according to the basis method. The capital charge for credit valuation adjustment (CVA) is calculated using the standardised approach. Exposure amounts for derivatives are calculated using the market value method.

The Group's primary capital must satisfy the minimum capital adequacy ratio requirements at all times, with the addition of a buffer equivalent to the company's accepted risk tolerance. See also the Group's Pillar III document, which is available from Sparebanken Øst's website.

	31.03.2021	31.03.2020	31.12.2020
CET1 capital			
Book equity	4.012,0	3.789,1	4.090,2
Deduction items in CET1 capital			
Additional value adjustments (prudent valuation requirement) (AVA)	-7,6	-9,4	-8,4
Dividends*	-40,9	-134,3	-119,2
Goodwill included in the valuation of significant investments	-223,2	-135,4	-223,1
Intangible assets	-33,2	-24,8	-32,5
CET1 capital instruments in other financial institutions (not significant)	0,0	0,0	0,0
CET1 capital instruments in other financial institutions (significant)	0,0	0,0	0,0
Other deductions from CET1 capital	-31,0	-30,8	-31,0
Total CET1 capital	3.676,0	3.454,3	3.676,2
Other tier 1 capital			
Hybrid tier 1 capital	350,0	350,0	350,0
Deductions from other tier 1 capital			
Other tier 1 capital instruments in other financial institutions (not significant)	0,0	0,0	0,0
Other tier 1 capital instruments in other financial institutions (significant)	0,0	0,0	0,0
Total other tier 1 capital	350,0	350,0	350,0
Total tier 1 capital	4.026,0	3.804,3	4.026,2
Tier 2 capital			
Subordinated loans	400,0	400,0	400,0
Deductions from tier 2 capital			
Tier 2 capital instruments in other financial institutions (not significant)	0,0	0,0	0,0
Tier 2 capital instruments in other financial institutions (significant)	0,0	-51,9	-56,6
Total tier 2 capital	400,0	348,1	343,4
Net primary capital	4.426,0	4.152,5	4.369,6

Note 3 - Capital adequacy (contd.)

	31.03.2021	31.03.2020	31.12.2020
Governments and central banks	0,0	0,0	0,0
Local and regional authorities	1,5	246,9	86,3
Publicly owned companies	0,0	0,0	0,0
Multilateral development banks	0,0	0,0	0,0
Institutions	51,8	86,8	46,0
Companies	281,5	509,9	435,4
Mass market accounts	2.813,6	1.700,2	1.696,0
Accounts secured against property	13.808,2	13.536,6	14.233,5
Accounts due	149,7	205,3	187,4
High-risk commitments	708,1	455,1	654,5
Covered bonds	463,2	509,6	476,5
Shares in securities fund	0,0	0,0	0,0
Equity positions	911,6	702,6	921,6
Other exposures	192,9	204,5	241,4
Securitisation	0,0	0,0	0,0
Calculation basis for credit and counterparty risk	19.382,1	18.157,6	18.978,6
Calculation basis for currency risk	0,0	0,0	0,0
Calculation basis for operational risk	1.444,9	1.363,1	1.444,9
Calculation basis for impaired counterparty credit valuation adjustment (CVA)	52,4	58,6	48,0
Deductions from calculation basis	0,0	0,0	0,0
Total calculation basis	20.879,4	19.579,4	20.471,4
CET1 capital ratio*	17,61 %	17,64 %	17,96 %
Tier 1 capital ratio*	19,28 %	19,43 %	19,67 %
Capital adequacy*	21,20 %	21,21 %	21,34 %
Buffers			
Capital conservation buffer	522,0	489,5	511,8
Countercyclical buffer	208,8	195,8	204,7
Systemic risk buffer	626,4	587,4	614,1
Buffer for systemically important banks	0,0	0,0	0,0
Total buffer requirements	1.357,2	1.272,7	1.330,6
Available buffer capital	2.736,5	2.573,3	2.731,9
Leverage ratio	8,53 %	8,64 %	9,03 %

* In connection with the allocation of the profit for the year for 2020, the Board of Trustees resolved on 25 March 2021 to grant the Board of Directors special authorisation to make a decision on paying out a dividend of up to NOK 20.7 million (up to NOK 1.00 per equity certificate) and grants for good causes totalling up to NOK 20.2 million at the earliest on 01.10.2021 and by no later than the annual meeting of the Board of Trustees in 2022, if the capital situation and the authorities' guidelines so permit. The amounts in line with the special authorisation have been deducted from the calculation of the Group's capital adequacy as at 31.03.2021.

Note 4 - Losses on loans, unused credit and guarantees

Loss costs

	Q1 2021	Q1 2020	31.12.2020
Change in model-based provisions, Stage 1	0,1	3,2	3,6
Change in model-based provisions, Stage 2	0,0	1,5	3,3
Change in model-based provisions, group 3	0,1	0,3	-0,3
Increase in existing individual write-downs	2,9	1,8	6,1
New individual loss provisions	<	3,4	4,3
Established losses covered by previous individual loss provisions	1,0	1,8	6,0
Reversals of previous individual loss provisions	-3,6	-4,6	-10,3
Actual losses where no individual loss provisions have previously been made	-0,1	-0,1	1,0
Recovery of previously identified losses	-1,2	-0,7	-4,6
Amortisation costs for the period	0,0	0,1	0,0
Losses on loans, unused credit and guarantees	2,6	7,6	15,1
- of which losses on lending to retail customers of the parent bank and mortgage credit company	1,2	1,0	-0,1
- of which losses on lending to business customers	-1,2	2,6	3,7
- of which losses on lending AS Financiering	2,6	3,6	11,1
- of which losses on unused credit and guarantees	0,0	0,4	0,4

Changes in loss provisions

Group - 31.03.2021	Loss given default			Total
	Stage 1	Stage 2	Stage 3	
Opening balance as at 01.01.2021	23,4	12,3	89,6	125,3
Transferred to Stage 1	2,2	-1,2	-1,1	0,0
Transferred to Stage 2	-0,4	1,0	-0,6	0,0
Transferred to Stage 3	-0,1	-0,8	0,9	0,0
Net change	-3,1	0,3	4,1	1,3
New losses	4,0	1,2	0,0	5,3
Deducted losses	-2,8	-0,6	-0,6	-3,9
Change in risk model/parameters	0,1	0,1	0,0	0,2
Closing balance as at 31.03.2021	23,5	12,3	92,3	128,1
- of which loss provisions on lending to retail customers of the parent bank and mortgage	7,5	2,4	3,8	13,8
- of which loss provisions on lending to business customers	7,2	3,8	0,5	11,5
- of which loss provisions on lending AS Financiering	7,9	6,0	87,7	101,6
- of which loss provisions on unused credit and guarantees	0,8	0,1	0,3	1,2
Model-calculated loss provisions	23,5	12,3	0,4	36,2
Individual loss provisions	0,0	0,0	91,9	91,9

Note 4 - Losses on loans, unused credit and guarantees (cont.)

Group - 31.03.20	Loss given default ss given default		Expected loss	Total
	Stage 1	Stage 2	Stage 3	
Opening balance as at 01.01.2020	19,8	9,0	84,0	112,8
Transferred to Stage 1	2,0	-1,2	-0,8	0,0
Transferred to Stage 2	-0,6	1,7	-1,1	0,0
Transferred to Stage 3	0,0	-0,5	0,5	0,0
Net change	-2,0	0,5	4,0	2,6
New losses	3,4	0,2	0,2	3,8
Deducted losses	-2,5	-0,5	-1,1	-4,1
Change in risk model/parameters	2,9	1,2	0,1	4,2
Closing balance as at 31.03.20	23,0	10,5	85,8	119,3
- of which loss provisions on lending to retail customers of the parent bank and mortgage	7,3	2,0	4,5	13,8
- of which loss provisions on lending to business customers	9,0	2,0	0,4	11,3
- of which loss provisions on lending AS Financiering	5,9	6,3	80,7	92,9
- of which loss provisions on unused credit and guarantees	0,9	0,1	0,3	1,2
Model-calculated loss provisions	23,0	10,5	0,9	34,3
Individual loss provisions	0,0	0,0	84,9	84,9

Group - 31.12.2020	Expected loss ss given default ss given default		Total	
	Stage 1	Stage 2		Stage 3
Opening balance as at 01.01.2020	19,8	9,0	84,0	112,8
Transferred to Stage 1	3,2	-2,7	-0,5	0,0
Transferred to Stage 2	-1,1	2,4	-1,3	0,0
Transferred to Stage 3	-0,1	-0,7	0,7	0,0
Net change	-3,4	2,4	10,2	9,1
New losses	10,0	1,3	1,3	12,5
Deducted losses	-7,8	-1,9	-4,9	-14,6
Change in risk model/parameters	2,9	2,6	0,1	5,5
Closing balance as at 31.12.2020	23,4	12,3	89,6	125,3
- of which loss provisions on lending to retail customers of the parent bank and mortgage	6,7	2,1	3,8	12,6
- of which loss provisions on lending to business customers	8,0	4,1	0,5	12,6
- of which loss provisions on lending AS Financiering	7,9	5,9	85,1	98,9
- of which loss provisions on unused credit and guarantees	0,8	0,2	0,3	1,2
Model-calculated loss provisions	23,4	12,3	0,3	36,0
Individual loss provisions	0,0	0,0	89,3	89,3

Note 4 - Losses on loans, unused credit and guarantees (cont.)

Change in gross lending, broken down by group

The table below does not include fixed-rate loans at fair value.

Group - 31.03.2021	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 01.01.2021	34.247,1	761,3	200,4	35.208,8
Transferred to Stage 1	110,6	-105,4	-5,3	0,0
Transferred to Stage 2	-133,5	144,2	-10,7	0,0
Transferred to Stage 3	-8,6	-35,8	44,4	0,0
Net change	188,9	-19,3	-7,4	162,2
New loans	11.614,9	93,3	0,0	11.708,2
Deducted lending	-8.742,3	-65,0	-5,4	-8.812,6
Closing balance as at 31.03.2021	37.277,2	773,3	216,0	38.266,6
- of which lending to retail customers of the parent bank and mortgage credit company	31.045,1	225,9	26,7	31.297,7
- of which lending to business customers	4.417,7	194,8	11,3	4.623,8
- of which lending AS Financiering	1.814,4	352,6	178,0	2.345,1
- of which loans with forbearance	0,0	103,3	13,1	116,3

Group - 31.03.2020	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 01.01.2020	32.919,1	780,7	215,3	33.915,1
Transferred to Stage 1	117,6	-112,4	-5,2	0,0
Transferred to Stage 2	-257,1	264,8	-7,7	0,0
Transferred to Stage 3	-17,8	-36,7	54,5	0,0
Net change	219,0	-35,5	-5,8	177,6
New loans	7.302,9	22,4	1,9	7.327,1
Deducted lending	-7.888,9	-53,0	-20,2	-7.962,1
Closing balance as at 31.03.20	32.394,6	830,3	232,8	33.457,7
- of which lending to retail customers of the parent bank and mortgage credit company	25.911,6	193,9	51,0	26.156,6
- of which lending to business customers	4.825,8	250,5	20,1	5.096,4
- of which lending AS Financiering	1.657,1	385,9	161,7	2.204,7
- of which loans with forbearance	1,4	49,6	4,4	55,5

Group - 31.12.2020	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 01.01.2020	32.919,1	780,7	215,3	33.915,1
Transferred to Stage 1	238,1	-234,8	-3,4	0,0
Transferred to Stage 2	-410,8	420,6	-9,8	0,0
Transferred to Stage 3	-25,0	-37,8	62,7	0,0
Net change	-690,2	-97,5	-28,1	-815,8
New loans	19.352,8	146,1	6,6	19.505,5
Deducted lending	-17.137,0	-216,0	-43,0	-17.396,1
Closing balance as at 31.12.2020	34.247,1	761,3	200,4	35.208,8
- of which lending to retail customers of the parent bank and mortgage credit company	27.715,6	201,5	21,7	27.938,8
- of which lending to business customers	4.745,1	228,0	9,2	4.982,3
- of which lending AS Financiering	1.786,3	331,8	169,5	2.287,6
- of which loans with forbearance	0,0	64,9	0,8	65,7

Note 4 - Losses on loans, unused credit and guarantees (cont.)

Model-calculated loss given default

The economic outlook at the end of Q1 2021 is generally considered to be unchanged compared with what was assumed in the preparation of the annual financial statements for 2020, and there remains some uncertainty surrounding the estimates of the long-term effects of the Covid-19 pandemic.

The demand for interest-only periods among the Group's customers has increased throughout the Covid-19 pandemic. Where the cause and need have arisen as a result of the Covid-19 situation, the Group has granted temporary interest-only periods of up to 6 months. Individual assessments of the applications were conducted to establish whether such the need was temporary, or whether the measure was in reality an offer of forbearance necessitates a transfer to Stage 2 or Stage 3. The extent of temporary interest-only periods granted as at 31.03.2021 was at a low and stable level and constitutes approximately 0.4% of lending in the retail market portfolio, 0.1% of lending in the business market portfolio, and 0.1 % of lending by AS Financiering. In comparison, the equivalent figures as at 31.12.2020 were approximately 0.3% of lending in the retail market portfolio, 0.1% of lending in the corporate market portfolio, and 0.1% of lending in AS Financiering.

The macro scenarios' probability weighting when calculating model-calculated loss given default was unchanged at the end of Q1 2021 compared with what was used in the preparation of the annual financial statements for 2020. The factors (effect) of the scenarios for all segments within the Group remain unchanged when compared with 31.12.2020.

The table below shows the loss given default in the various scenarios and the probability weighting. Individually assessed loss provisions remain unchanged in the various scenarios.

31.03.2021 - Group	Probability				Total
	Weight	Stage 1	Stage 2	Stage 3	
Optimistic scenario	0 %	13,6	7,1	92,1	112,9
Expected scenario	70 %	17,0	8,9	92,2	118,1
Pessimistic scenario	30 %	38,7	20,2	92,6	151,5
Loss provisions (probability weighted)	100 %	23,5	12,3	92,3	128,1

Note 5 - Non-performing commitments, customers

	31.03.2021	31.03.2020	31.12.2020
Payment defaults in excess of 90 days			
Business	6,8	18,6	9,7
+ Retail	8,5	38,7	14,1
+ AS Financiering	178,0	161,7	169,5
= Gross payment defaults	193,4	219,0	193,3
- Loss provisions	92,3	85,3	89,6
= Net payment defaults	101,1	133,8	103,7
Other non-performing commitments			
Business	6,9	2,4	0,5
+ Retail	18,1	12,4	7,6
+ AS Financiering	0,0	0,0	0,0
= Gross other non-performing commitments	25,0	14,7	8,1
- Loss provisions	0,1	0,6	0,0
= Net other non-performing commitments	25,0	14,2	8,1
Non-performing commitments			
Business	13,7	21,0	10,2
+ Retail	26,7	51,0	21,7
+ AS Financiering	178,0	161,7	169,5
= Gross non-performing commitments	218,5	233,8	201,4
- Loss provisions	92,3	85,8	89,6
= Net non-performing commitments	126,1	147,9	111,8

With effect from Q1 2021, the Bank has amended its definition of default in line with the EBA's guideline that came into force on 01.01.2021. The change has had no significant effects on non-performing commitments (commitments in Stage 3).

Note 6 - Deposits from customers by sector and industry

	31.03.2021	31.03.2020	31.12.2020
Salaried employees	9.215,0	8.236,3	8.440,4
Public administration	582,2	544,0	621,3
Agriculture, forestry and fishing, etc.	97,1	103,7	106,4
Industry and mining, power and water supply	1.041,6	865,4	862,2
Building and construction	626,6	645,2	568,6
Wholesale and retail trade, hotels and restaurants	472,5	410,4	449,8
Transport and communications	151,3	256,4	476,5
Business financial services	1.725,1	1.470,1	1.362,9
Other service industries	892,7	831,5	889,5
Real estate sales and operation	829,4	841,3	944,6
Abroad	115,2	109,4	123,0
Total customer deposits	15.748,6	14.313,7	14.845,1

Note 7 - Loans to customers by sector and industry

	31.03.2021	31.03.2020	31.12.2020
Salaried employees	33.862,4	28.665,8	30.497,6
Public administration	7,2	0,0	0,0
Agriculture, forestry and fishing, etc.	100,7	104,5	104,7
Industry and mining, power and water supply	62,3	88,8	65,2
Building and construction	500,8	471,1	436,3
Wholesale and retail trade, hotels and restaurants	163,0	137,9	119,1
Transport and communications	38,7	50,8	40,2
Business financial services	196,2	156,4	214,8
Other service industries	769,3	916,0	808,1
Real estate sales and operation	2.838,1	3.226,0	3.245,5
Abroad	29,2	35,8	36,1
Gross lending to customers	38.567,9	33.853,1	35.567,9
Loss provisions on loans	-126,9	-118,0	-124,1
Net lending to customers	38.441,0	33.735,1	35.443,8

Note 8 - Geographical distribution of lending, customers

	31.03.2021	31.03.2020	31.12.2020
Drammen	7.577,5	8.132,2	7.598,9
Øvre Eiker	2.025,8	2.127,7	2.075,5
Asker/Bærum	5.675,1	4.817,0	5.275,9
Rest of Viken	7.562,1	7.015,9	6.927,2
Oslo	8.694,2	6.516,3	7.617,5
Vestfold/Telemark	3.236,0	2.976,7	3.043,1
Rest of Norway	3.767,9	2.231,5	2.993,7
Abroad	29,2	35,8	36,1
Gross lending to customers	38.567,9	33.853,1	35.567,9
Loss provisions on loans	-126,9	-118,0	-124,1
Net lending to customers	38.441,0	33.735,1	35.443,8

Note 9 - Credit risk

The risk classification systems are used for decision-making support, monitoring and reporting. The risk parameters from the classification systems form an integral part of the credit process and follow-up of the business and retail market customer portfolios. The risk classification is based on a weighted calculation of various parameters linked to capacity to service debt, payment history and information from an external credit information provider.

The parent bank and Sparebanken Øst Boligkreditt AS's portfolios are based on a risk classification consisting of 11 categories from A to K. Risk class A represents the lowest risk and class I represents the highest risk of non-performing customers. The risk classes J and K comprise commitments with objective evidence of non-performance and these commitments are being specifically monitored.

31.03.2021	Gross loans	Guarantee liabilities	Overdraft facilities	Total commitments		Commitments Stage 1	Loss provisions Stage 1		Loss provisions Stage 2		Loss provisions Stage 3*	
					%		Stage 1	Stage 2	Stage 2	Stage 3	Stage 3*	
A	17.832,7	11,2	1.997,7	19.841,6	47,9	19.825,2	1,1	16,5	0,0	0,0	0,0	0,0
B	8.009,9	11,0	395,9	8.416,8	20,3	8.396,6	2,0	20,2	0,0	0,0	0,0	0,0
C	4.807,9	21,3	187,6	5.016,9	12,1	4.977,7	2,7	39,2	0,1	0,0	0,0	0,0
D	4.005,3	29,3	164,2	4.198,8	10,1	4.161,6	5,0	37,2	0,1	0,0	0,0	0,0
E	1.028,5	9,5	22,0	1.060,1	2,6	902,1	2,2	158,0	1,2	0,0	0,0	0,0
F	1.258,7	2,5	2,9	1.264,1	3,1	1.152,1	2,4	112,0	1,0	0,0	0,0	0,0
G	913,4	0,3	1,9	915,5	2,2	766,2	4,5	149,3	2,2	0,0	0,0	0,0
H	445,9	0,0	0,4	446,4	1,1	222,5	2,8	223,9	5,2	0,0	0,0	0,0
I	49,0	0,0	1,0	50,0	0,1	22,5	0,8	27,6	2,5	0,0	0,0	0,0
J	32,8	0,5	2,0	35,3	0,1	0,0	0,0	0,0	0,0	35,3	0,0	0,0
K	183,5	0,5	0,0	183,9	0,4	0,0	0,0	0,0	0,0	183,9	92,3	92,3
Unallocated	0,1	0,0	0,0	0,1	0,0	0,1	0,1	0,0	0,0	0,0	0,0	0,0
Total	38.567,9	86,1	2.775,7	41.429,6	100,0	40.426,6	23,5	783,8	12,3	219,2	92,3	92,3

* Stage 3 provisions include individually assessed loss write-downs of NOK 91.9 million.

** Gross lending includes loans at both amortised cost and fair value

31.03.2020	Gross lending**	Guarantee liabilities	Overdraft facilities	Total commitments		Commitments Stage 1	Loss provisions Stage 1		Loss provisions Stage 2		Loss provisions Stage 3*	
					%		Stage 1	Stage 2	Stage 2	Stage 3	Stage 3*	
A	14.069,7	8,0	1.157,6	15.235,3	42,7	15.221,5	0,9	13,8	0,0	0,0	0,0	0,0
B	5.570,3	26,2	219,2	5.815,7	16,3	5.811,6	1,3	4,1	0,0	0,0	0,0	0,0
C	5.497,2	13,4	149,9	5.660,4	15,9	5.643,6	3,1	16,9	0,0	0,0	0,0	0,0
D	4.442,6	22,4	185,2	4.650,2	13,0	4.615,1	5,7	35,1	0,1	0,0	0,0	0,0
E	1.408,9	9,0	20,8	1.438,7	4,0	1.171,7	2,9	267,0	1,6	0,0	0,0	0,0
F	1.232,3	2,5	8,0	1.242,7	3,5	1.136,0	3,0	106,7	0,6	0,0	0,0	0,0
G	1.084,8	0,0	0,7	1.085,4	3,0	878,4	3,6	207,0	1,4	0,0	0,0	0,0
H	281,7	0,2	0,3	282,2	0,8	93,8	1,8	188,4	6,1	0,0	0,0	0,0
I	20,8	0,0	0,2	20,9	0,1	12,9	0,5	8,1	0,6	0,0	0,0	0,0
J	53,7	0,5	0,0	54,2	0,2	0,0	0,0	0,0	0,0	54,2	0,0	0,0
K	179,3	0,5	0,0	179,8	0,5	0,0	0,0	0,0	0,0	179,8	85,8	85,8
Unallocated	11,8	0,0	0,3	12,1	0,0	12,1	0,2	0,0	0,0	0,0	0,0	0,0
Total	33.853,1	82,6	1.742,0	35.677,7	100,0	34.596,7	23,0	847,0	10,5	234,0	85,8	85,8

* Group 3 provisions include individually assessed loss write-downs of NOK 84.9 million.

** Gross lending includes loans at both amortised cost and fair value

Note 9 - Credit risk (cont.)

31.12.2020	Gross lending**	Guarantee liabilities	Overdraft facilities	Total commitments		Commitments Stage 1	Loss provisions		Loss provisions		Commitments Stage 3	Loss provisions Stage 3*
				commitments	%		Stage 1	Stage 2	Stage 2	Stage 3		
A	15.958,8	12,9	1.558,0	17.529,6	46,2	17.503,2	1,0	26,4	0,0	0,0	0,0	0,0
B	6.549,6	10,6	306,2	6.866,4	18,1	6.851,8	1,6	14,6	0,0	0,0	0,0	0,0
C	4.888,7	24,4	176,8	5.089,9	13,4	5.070,2	2,8	19,7	0,0	0,0	0,0	0,0
D	4.175,8	29,8	171,5	4.377,1	11,5	4.360,7	5,3	16,4	0,0	0,0	0,0	0,0
E	1.146,1	10,6	29,2	1.186,0	3,1	979,8	2,4	206,2	1,6	0,0	0,0	0,0
F	1.256,7	1,2	5,2	1.263,2	3,3	1.145,8	2,5	117,4	1,0	0,0	0,0	0,0
G	917,6	0,4	2,9	920,9	2,4	788,2	4,6	132,7	2,0	0,0	0,0	0,0
H	446,7	0,0	0,4	447,1	1,2	225,2	2,9	221,9	5,3	0,0	0,0	0,0
I	27,3	0,0	0,1	27,4	0,1	6,5	0,3	20,9	2,2	0,0	0,0	0,0
J	25,6	0,5	0,0	26,1	0,1	0,0	0,0	0,0	0,0	26,1	0,0	0,0
K	174,8	0,5	0,0	175,3	0,5	0,0	0,0	0,0	0,0	175,3	89,6	89,6
Unallocated	0,2	0,0	0,0	0,2	0,0	0,2	0,1	0,0	0,0	0,0	0,0	0,0
Total	35.567,9	91,0	2.250,2	37.909,1	100,0	36.931,5	23,4	776,2	12,3	201,4	89,6	89,6

* Stage 3 provisions include individually assessed loss write-downs of NOK 89.3 million.

** Gross lending includes loans at both amortised cost and fair value

Note 10 - Classification of financial instruments

31.03.2021	Fair value through profit or loss			Total
	Mandatory	Designated	Measured at amortised cost*	
Cash and receivables from central banks	0,0	0,0	421,8	421,8
Net loans to and receivables from financial institutions	0,0	0,0	12,9	12,9
Net loans to and receivables from customers	0,0	301,3	38.139,7	38.441,0
Certificates and bonds	6.238,7	0,0	0,0	6.238,7
Shares and units	801,0	0,0	0,0	801,0
Financial derivatives**	245,8	0,0	0,0	245,8
Total financial assets	7.285,5	301,3	38.574,4	46.161,2
Liabilities to financial institutions	0,0	0,0	300,9	300,9
Deposits from and liabilities to customers	0,0	0,0	15.748,6	15.748,6
Financial derivatives**	18,0	0,0	0,0	18,0
Securities issued	0,0	0,0	24.912,5	24.912,5
Lease liabilities	0,0	0,0	45,0	45,0
Subordinated loan capital	0,0	0,0	400,2	400,2
Total financial liabilities	18,0	0,0	41.407,2	41.425,2

* Includes hedged debt

** Includes derivatives for which hedge accounting is used

31.03.2020	Fair value through profit or loss			Total
	Mandatory	Designated	Measured at amortised cost*	
Cash and receivables from central banks	0,0	0,0	620,1	620,1
Net loans to and receivables from financial institutions	0,0	0,0	10,2	10,2
Net loans to and receivables from customers	0,0	395,4	33.339,7	33.735,1
Certificates and bonds	7.936,2	0,0	0,0	7.936,2
Shares and units	633,1	0,0	0,0	633,1
Financial derivatives**	435,4	0,0	0,0	435,4
Total financial assets	9.004,7	395,4	33.970,0	43.370,1
Liabilities to financial institutions	0,0	0,0	602,5	602,5
Deposits from and liabilities to customers	0,0	0,0	14.313,7	14.313,7
Financial derivatives**	21,7	0,0	0,0	21,7
Securities issued	0,0	0,0	23.394,7	23.394,7
Lease liabilities	0,0	0,0	50,8	50,8
Subordinated loan capital	0,0	0,0	400,4	400,4
Total financial liabilities	21,7	0,0	38.762,0	38.783,7

* Includes hedged debt

** Includes derivatives for which hedge accounting is used

Note 10 - Classification of financial instruments (cont.)

31.12.2020	Fair value through profit or loss			Total
	Mandatory	Designated	Measured at amortised cost*	
Cash and receivables from central banks	0,0	0,0	409,4	409,4
Net loans to and receivables from financial institutions	0,0	0,0	13,4	13,4
Net loans to and receivables from customers	0,0	359,1	35.084,7	35.443,8
Certificates and bonds	6.790,2	0,0	0,0	6.790,2
Shares and units	811,0	0,0	0,0	811,0
Financial derivatives**	374,1	0,0	0,0	374,1
Total financial assets	7.975,3	359,1	35.507,5	43.841,9
Liabilities to financial institutions	0,0	0,0	601,0	601,0
Deposits from and liabilities to customers	0,0	0,0	14.485,1	14.485,1
Financial derivatives**	17,9	0,0	0,0	17,9
Securities issued	0,0	0,0	23.111,0	23.111,0
Lease liabilities	0,0	0,0	44,9	44,9
Subordinated loan capital	0,0	0,0	400,1	400,1
Total financial liabilities	17,9	0,0	38.642,1	38.660,0

* Includes hedged debt

** Includes derivatives for which hedge accounting is used

Note 11 - Financial instruments at fair value

The bank classifies fair value measurements by using a hierarchy with the following levels:

Level 1: Observable market prices in active markets.

Level 2: Observable market prices in less active markets, or the use of inputs which are either directly or indirectly observable.

Level 3: Valuation techniques not based on observable market data.

See Note 21 in the Annual Report for 2020 for further details of individual accounting items.

31.03.2021	Level 1	Level 2	Level 3	Total
Fair value				
Loans to and receivables from customers	0,0	0,0	301,3	301,3
Certificates and bonds	0,0	6.238,7	0,0	6.238,7
Shares and units	34,4	28,8	737,8	801,0
Financial derivatives	0,0	245,8	0,0	245,8
Total assets at fair value	34,4	6.513,3	1.039,1	7.586,8
Financial derivatives	0,0	18,0	0,0	18,0
Total liabilities at fair value	0,0	18,0	0,0	18,0

Movement in level 3	Fixed interest		Shares through	Total
	loans	profit or loss		
Balance sheet as at 01.01.2021	359,1	746,9		1.106,0
Net realised gains	0,0	0,0		0,0
Additions	15,0	0,0		15,0
Disposals	69,5	8,5		78,0
Changes in value	-3,2	-0,5		-3,7
Transferred from levels 1 and 2	0,0	0,0		0,0
Balance sheet at end of period	301,3	737,8		1.039,1

31.03.2020	Level 1	Level 2	Level 3	Total
Fair value				
Loans to and receivables from customers	0,0	0,0	395,4	395,4
Certificates and bonds	0,0	7.936,2	0,0	7.936,2
Shares and units	33,0	0,0	600,1	633,1
Financial derivatives	0,0	435,4	0,0	435,4
Total assets at fair value	33,0	8.371,6	995,5	9.400,1
Financial derivatives	0,0	21,7	0,0	21,7
Total liabilities at fair value	0,0	21,7	0,0	21,7

Movement in level 3	Fixed interest		Shares through	Total
	loans	profit or loss		
Balance sheet as at 01.01.2020	422,1	598,3		1.020,4
Net realised gains	0,0	0,0		0,0
Additions	8,3	0,0		8,3
Disposals	44,4	0,0		44,4
Changes in value	9,4	1,8		11,2
Transferred from levels 1 and 2	0,0	0,0		0,0
Balance sheet at end of period	395,4	600,1		995,5

Note 11 - Financial instruments at fair value (cont.)

31.12.2020	Level 1	Level 2	Level 3	Total
Fair value				
Loans to and receivables from customers	0,0	0,0	359,1	359,1
Certificates and bonds	0,0	6.790,2	0,0	6.790,2
Shares and units	35,4	28,8	746,9	811,0
Financial derivatives	0,0	374,1	0,0	374,1
Total assets at fair value	35,4	7.193,1	1.106,0	8.334,4
Financial derivatives	0,0	17,9	0,0	17,9
Total liabilities at fair value	0,0	17,9	0,0	17,9

Movement in level 3	Fixed interest		Shares through profit or loss	Total
	loans			
Balance sheet as at 01.01.2020	422,1	598,3		1.020,4
Net realised gains	0,0	0,0		0,0
Additions	43,9	19,9		63,8
Disposals	113,7	0,0		113,7
Changes in value	6,8	151,6		158,4
Transferred from levels 1 and 2	0,0	-23,0		-23,0
Balance sheet at end of period	359,1	746,9		1.106,0

Note 12 - Securities issued and subordinated loan capital

Securities issued	31.03.2021	31.03.2020	31.12.2020
Bonds, nominal value	24.647,0	22.904,0	22.717,0
Value adjustments (incl. excess/deficit value)	197,0	393,8	314,0
Accrued interest	68,6	96,9	79,9
Total securities issued	24.912,5	23.394,7	23.111,0

Change for securities issued	31.03.2021	Issued	Due/redeemed	Change holdings	Other changes incl. currency	31.12.2020
Ordinary senior bonds, nominal value	7.875,0	400,0	70,0	0,0	0,0	7.545,0
Senior non-preferred bonds (SNP), nominal value	400,0	400,0	0,0	0,0	0,0	0,0
Covered bonds, nominal value in NOK	16.372,0	1.500,0	300,0	0,0	0,0	15.172,0
Value adjustments (including premium/discount)	197,0	0,0	0,0	0,0	-117,1	314,1
Accrued interest	68,6	0,0	0,0	0,0	-11,3	79,9
Total securities issued	24.912,5	2.300,0	370,0	0,0	-128,4	23.111,0

Change in subordinated loan capital	31.03.2021	Issued	Due/redeemed	Change own holding	Other changes incl. currency	31.12.2020
Ordinary subordinated loan capital, nominal value	400,0	0,0	0,0	0,0	0,0	400,0
Value adjustments (including premium/discount)	-0,3	0,0	0,0	0,0	0,0	-0,3
Accrued interest	0,5	0,0	0,0	0,0	0,1	0,4
Total subordinated loan capital	400,2	0,0	0,0	0,0	0,1	400,1

Note 13 - Financial derivatives

31.03.2021	Contract sum	Book value of hedging object	Fair value of hedging instruments		Value adjustment of hedging object
			Assets	Liabilities	Liabilities
Fair value through profit or loss					
Forward exchange contracts	26,0		0,3	0,0	
Interest rate swaps (IRS)	710,0		1,3	12,2	
Total at fair value through profit or loss			1,6	12,2	
Used for hedge accounting					
Interest rate swaps (IRS)	6.125,0		244,2	5,8	0,0
Securities issued		6.370,4			189,9
Total used for hedge accounting		6.370,4	244,2	5,8	189,9
Total		6.370,4	245,8	18,0	189,9

The difference between the fair value of hedging instruments and the value adjustment of a security is explained by accrued interest. The book value of a hedging object includes value adjustment and accrued interest.

31.03.2020	Contract sum	Book value of hedging object	Fair value of hedging instruments		Value adjustment of hedging object
			Assets	Liabilities	Liabilities
Fair value through profit or loss					
Forward exchange contracts	36,2		0,0	5,9	
Interest rate swaps (IRS)	695,0		0,0	15,8	
Total at fair value through profit or loss			0,0	21,7	
Used for hedge accounting					
Interest rate swaps (IRS)	7.565,0		435,4	0,0	0,0
Securities issued		8.024,0			386,2
Total used for hedge accounting		8.024,0	435,4	0,0	386,2
Total		8.024,0	435,4	21,7	386,2

The difference between the fair value of hedging instruments and the value adjustment of a security is explained by accrued interest. The book value of a hedging object includes value adjustment and accrued interest.

31.12.2020	Contract sum	Book value of hedging object	Fair value of hedging instruments		Value adjustment of hedging object
			Assets	Liabilities	Liabilities
Fair value through profit or loss					
Forward exchange contracts	34,7		0,5	0,0	
Interest rate swaps (IRS)	775,0		0,4	17,9	
Total at fair value through profit or loss			0,9	17,9	
Used for hedge accounting					
Interest rate swaps (IRS)	6.025,0		373,2	0,0	0,0
Securities issued		6.410,5			310,8
Total used for hedge accounting		6.410,5	373,2	0,0	310,8
Total		6.410,5	374,1	17,9	310,8

The difference between the fair value of hedging instruments and the value adjustment of a security is explained by accrued interest. The book value of a hedging object includes value adjustment and accrued interest.

Note 14 - Financial derivatives - offsetting

The Group's netting rights comply with the general rules in Norwegian law. Standardised and primarily bilateral ISDA agreements have been entered into with financial institutions that give the parties the right to offset in the event of non-performance. Additional agreements have also been entered into concerning the provision of security (CSA). In accordance with the offsetting disclosure requirements, no offset amounts are recognised on the balance sheet.

	Gross amount	Offset	Recognised amount	Amount subject to net settlement	Exchanged collateral security	Amount in accordance with any net settlement
Exposure as at 31.03.2021						
Financial derivatives, assets	245,8	0,0	245,8	-14,2	-173,0	58,7
Financial derivatives, liabilities	18,0	0,0	18,0	-14,2	-6,0	-2,2
Exposure as at 31.03.2020						
Financial derivatives, assets	372,1	0,0	372,1	-12,8	-300,5	58,7
Financial derivatives, liabilities	16,8	0,0	16,8	-12,8	-3,4	0,6
Exposure as at 31.12.2020						
Financial derivatives, assets	374,1	0,0	374,1	-13,4	-266,0	94,7
Financial derivatives, liabilities	17,9	0,0	17,9	-13,4	-6,0	-1,5

Note 15 - Net interest income

	Q1 2021	Q1 2020	Year 2020
Interest income from loans to and receivables from financial institutions	0,0	1,5	1,7
Interest income from loans to customers	217,3	308,0	1.002,3
Interest income from certificates and bonds	13,9	40,9	117,4
Total interest income	231,2	350,4	1.121,4
Interest costs on liabilities to financial institutions	1,8	2,1	8,5
Interest on deposits from customers	18,9	39,1	106,5
Interest on securities issued	53,7	137,4	349,3
Interest on subordinated loan capital	1,9	3,2	9,2
Norwegian Banks Guarantee Fund levy	3,8	4,0	15,9
Total interest costs	80,0	185,9	489,3
Net interest income	151,2	164,6	632,1

Note 16 - Net changes in value and gains/losses on financial instruments

	Q1 2021	Q1 2020	Year 2020
Net changes in value and gains/losses on certificates and bonds	-3,3	-19,2	-10,0
Net value change and gains/losses on shares	-1,5	3,5	161,5
Net changes in value and gains/losses on fixed-interest loans	-3,2	9,4	6,8
Net changes in value and gains/losses on other financial instruments	8,0	-27,3	-22,0
Net value change and gains/losses on financial instruments	0,0	-33,7	136,3

Note 17 - Operating costs

	Q1 2021	Q1 2020	Year 2020
Payroll costs incl. AGA and Financial Activity Tax	41,1	40,3	146,1
Pension costs	3,9	3,9	16,5
Other personnel-related costs	2,0	2,5	4,7
IT costs	10,6	10,8	42,9
Other administrative costs	3,7	4,1	14,5
Depreciation/write-downs/changes in value for non-financial assets	6,9	6,5	27,3
Operating costs, properties and premises	2,1	2,9	8,7
Other operating costs	8,6	9,5	35,2
Total operating costs	78,9	80,4	296,0

Note 18 - Guarantee liability and other off-balance sheet items

Guarantee liability	31.03.2021	31.03.2020	31.12.2020
Payment guarantees	34,8	14,5	35,4
Contract guarantees	30,1	38,0	33,3
Loan guarantees	12,6	20,0	12,6
Other guarantee liabilities	8,6	10,1	9,7
Total guarantees to customers	86,1	82,6	91,0

Pledges of security	31.03.2021	31.03.2020	31.12.2020
Bonds, nominal value, pledged as security for borrowing facilities at Norges Bank	1.520,0	1.510,0	1.520,0
Total pledges of security	1.520,0	1.510,0	1.520,0

The parent bank has issued a revolving credit facility vis-à-vis Sparebanken Øst Boligkreditt AS which guarantees timely payment of outstanding covered bonds which expire during the next 12 months, including the coupon rate, principal and derivative contracts entered into to hedge outstanding covered bonds. In addition to the revolving credit facility, Sparebanken Øst Boligkreditt AS has a NOK 3.0 billion credit line from the parent bank. The parent bank's holdings of covered bonds had a face value of NOK 778.0 million as at 31.03.2021, NOK 778.0 million as at 31.12.2020 and NOK 500.0 million as at 31.03.2020 and are not included in the table below.

Preferential rights	31.03.2021	31.03.2020	31.12.2020
Preferential rights in accordance with Section 11-15 of the Norwegian Financial Institutions Act (nominal value)	17.150,0	14.619,0	15.950,0
Total preferential rights	17.150,0	14.619,0	15.950,0

Note 19 - Equity certificates

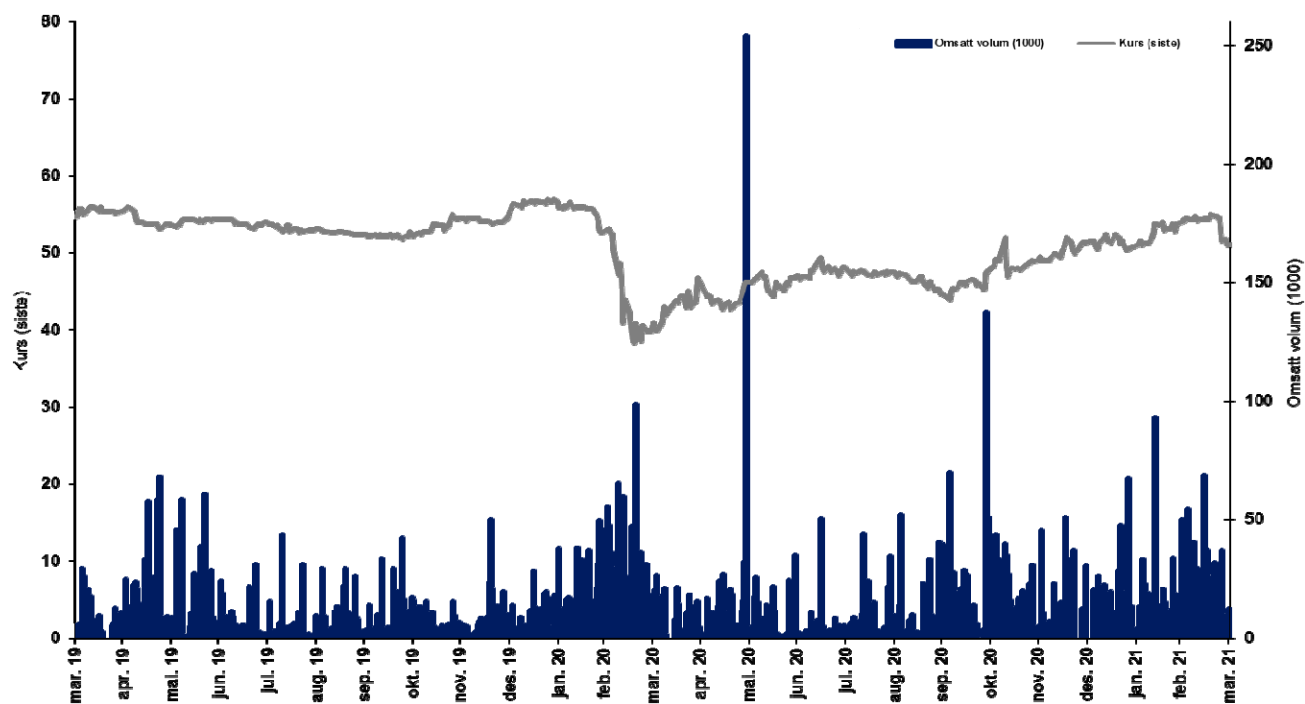
Ownership fraction, parent bank

	01.01.2021	01.01.2020
Equity certificate capital	207,3	207,3
Premium reserve	387,8	387,8
Equalisation fund (excl. dividend)	319,4	331,1
Share of Fund for Unrealised Gains	128,7	87,1
Total numerator (A)	1.043,2	1.013,3
Total equity excl. hybrid capital (dividend provisions for the year excluded)	3.525,6	3.227,6
Total denominator (B)	3.525,6	3.227,6
Ownership fraction (A/B) in per cent*	29,59	31,40

* In connection with the allocation of the profit for the year for 2020, the Board of Trustees resolved on 25 March 2021 to grant the Board of Directors special authorisation to make a decision on paying out a dividend of up to NOK 20.7 million (up to NOK 1.00 per equity certificate) and grants for good causes totalling up to NOK 20.2 million at the earliest on 01.10.2021 and by no later than the annual meeting of the Board of Trustees in 2022, if the capital situation and the authorities' guidelines so permit. The amounts in line with the special authorisation have been deducted from the calculation of the ownership fraction as at 01.01.2021.

Note 19 - Equity certificates (cont.)

Sparebanken Øst (SPOG)



The 20 largest equity certificate holders as at 31.03.2021

Name	Number	%	Name	Number	%
1 MP Pensjon	1.657.815	8,00 %	11 Skandinaviska Enskilda Banken	180.000	0,87 %
2 Cape Invest AS	1.140.000	5,50 %	12 Profond AS	172.046	0,83 %
3 Directmarketing Invest AS	999.500	4,82 %	13 Johansen, Kjell Petter	152.000	0,73 %
4 VPF Eika Egenkapitalbevis	981.285	4,73 %	14 Storetind AS	151.487	0,73 %
5 Hansen, Asbjørn Rudolf	445.502	2,15 %	15 Helge Arnfinn Løkke Dødsbo	148.433	0,72 %
6 Foretakskonsulenter AS	409.841	1,98 %	16 Morgan Stanley & Co. Internal	145.772	0,70 %
7 Jag Holding AS	303.897	1,47 %	17 Seriana AS	130.931	0,63 %
8 Wenaasgruppen AS	273.000	1,32 %	18 Niwjo Invest AS	125.650	0,61 %
9 BKK Norwegian Public Service P	250.000	1,21 %	19 Julius Johannessen & Sønner A/S	121.200	0,58 %
10 AS Andersen Eiendomselskap	238.900	1,15 %	20 Teigen, Anne Kristine	121.025	0,58 %

Income Statement - Parent Bank

(Amounts in NOK millions)	Q1 2021	Q1 2020	Year 2020
Interest income	119,2	204,1	605,1
Interest costs	48,9	107,4	287,5
Net interest income	70,4	96,7	317,5
Commission income and income from banking services	23,6	26,2	99,4
Commission costs and costs for banking services	4,2	5,4	20,1
Dividend	2,2	5,2	174,6
Net changes in value and gains/losses on financial instruments	-0,8	-37,8	143,9
Other operating income	1,4	2,0	7,2
Net other operating income	22,2	-9,8	405,0
Payroll, etc.	42,3	40,6	146,2
Administration costs	11,5	12,1	45,3
Depreciation/write-downs/changes in value for non-financial assets	6,8	6,5	26,7
Other operating costs	7,6	9,7	33,7
Total operating costs	68,2	68,9	252,0
Profit/loss before losses	24,3	17,9	470,5
Losses on loans, unused credit and guarantees	-0,4	3,1	3,4
Profit/loss before tax costs	24,7	14,8	467,1
Tax costs	5,1	1,4	32,2
Profit/loss after tax	19,6	13,4	434,9
Hybrid capital owners' share of the result	3,5	4,8	15,9
Equity certificate holders' and primary capital share of profits	16,1	8,7	419,0
Profit/loss after tax	19,6	13,4	434,9
Earnings per equity certificate	0,23	0,13	6,34
Diluted earnings per equity certificate	0,23	0,13	6,34

Other comprehensive income - parent bank

(Amounts in NOK millions)	Q1 2021	Q1 2020	Year 2020
Profit/loss after tax	19,6	13,4	434,9
Items that will not be reclassified to the income statement			
Actuarial gains and losses on defined-benefit plans	0,0	0,0	-2,5
Tax related to items that cannot be reclassified	0,0	0,0	0,6
Items that may later be reclassified to the income statement			
Lending at fair value	0,4	0,5	0,2
Tax related to items that can be reclassified	-0,1	-0,1	0,0
Comprehensive income	19,9	13,8	433,1

Balance Sheet - Parent Bank

(Amounts in NOK millions)	31.03.2021	31.03.2020	31.12.2020
Assets			
Cash and receivables from central banks	421,8	620,1	409,4
Loans to and receivables from financial institutions	2.948,3	2.346,3	2.232,8
Loans to and receivables from customers	17.694,9	15.592,6	16.436,7
Certificates and bonds	6.701,3	8.218,6	7.217,0
Shares and units	801,0	633,1	811,0
Financial derivatives	118,5	222,3	200,9
Ownership interests in Group companies	1.560,0	1.321,0	1.560,0
Deferred tax asset	7,6	6,7	7,7
Tangible fixed assets	90,4	89,4	88,8
Lease rights	76,9	85,5	77,1
Other assets	12,3	4,0	8,5
Prepaid non-accrued costs and income earned, but not received	21,7	19,3	14,6
Total assets	30.454,8	29.159,0	29.064,5
Liabilities and equity			
Liabilities to financial institutions	1.370,4	1.018,5	1.470,7
Deposits from and liabilities to customers	15.823,7	14.426,7	14.921,2
Financial derivatives	18,0	21,7	17,9
Securities issued	8.398,0	9.033,6	7.755,8
Other liabilities	331,5	352,0	328,5
Accruals and deferred income	38,7	30,4	34,0
Other provisions and liabilities	61,2	65,9	61,3
Lease liabilities	78,4	86,4	78,4
Subordinated loan capital	400,2	400,4	400,1
Total liabilities	26.520,1	25.435,7	25.068,0
Paid-up equity	595,1	595,1	595,1
Hybrid capital	351,8	352,3	351,7
Retained earnings	2.987,8	2.775,9	3.049,7
Total equity	3.934,7	3.723,3	3.996,5
Total liabilities and equity	30.454,8	29.159,0	29.064,5

Changes in equity - parent bank

(Amounts in NOK millions)	Paid-up equity		Hybrid capital		Retained earnings					Retained profit
	Total equity	Equity certificates	Share premium reserve	Additional Tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for use adjustment		
								unrealised gains	contingent income as reclass.	
31.03.2021										
Equity as at 31.12.2020	3.996,5	207,3	387,8	351,7	412,6	2.164,1	38,1	434,7	0,2	0,0
Ordinary result	19,6	0,0	0,0	3,5	0,0	0,0	0,0	0,0	0,0	16,1
Change in lending at fair value through comprehensive income	0,3	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,3	0,0
Actuarial gains and losses on defined-benefit plans	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Comprehensive income	19,9	0,0	0,0	3,5	0,0	0,0	0,0	0,0	0,3	16,1
Dividend to equity certificate holders 2020 - adopted	-72,6	0,0	0,0	0,0	-72,6	0	0,0	0,0	0,0	0,0
Dividend to social capital 2020 - adopted	-5,7	0,0	0,0	0,0	0,0	-5,7	0,0	0,0	0,0	0,0
Interest paid on hybrid capital	-3,4	0,0	0,0	-3,4	0,0	0,0	0,0	0,0	0,0	0,0
Equity as at 31.03.2021	3.934,7	207,3	387,8	351,8	340,1	2.158,4	38,1	434,7	0,5	16,1

In connection with the allocation of the profit for the year for 2020, the Board of Trustees resolved on 25 March 2021 to grant the Board of Directors special authorisation to make a decision on paying out a dividend of up to NOK 20.7 million (up to NOK 1.00 per equity certificate) and grants for good causes totalling up to NOK 20.2 million at the earliest on 01.10.2021 and by no later than the annual meeting of the Board of Trustees in 2022, if the capital situation and the authorities' guidelines so permit. Until the possible decision to make disbursements in line with the special authorisation is made, the dividends for equity certificate holders will be held as part of the equalisation fund and the grants for good causes as part of the primary capital.

(Amounts in NOK millions)	Paid-up equity		Hybrid capital		Retained earnings					Retained profit
	Total equity	Equity certificates	Share premium reserve	Additional Tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for use adjustment		
								unrealised gains	contingent income as reclass.	
31.03.2020										
Equity as at 31.12.2019	3.714,3	207,3	387,8	352,4	405,7	2.045,5	38,1	277,5	0,0	0,0
Ordinary result	13,4	0,0	0,0	4,8	0,0	0,0	0,0	0,0	0,0	8,7
Change in lending at fair value through comprehensive income	0,4	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,4	0,0
Actuarial gains and losses on defined-benefit plans	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Comprehensive income	13,8	0,0	0,0	4,8	0,0	0,0	0,0	0,0	0,4	8,7
Interest paid on hybrid capital	-4,8	0,0	0,0	-4,8	0,0	0,0	0,0	0,0	0,0	0,0
Equity as at 31.03.2020	3.723,3	207,3	387,8	352,3	405,7	2.045,5	38,1	277,5	0,4	8,7

(Amounts in NOK millions)	Paid-up equity		Hybrid capital		Retained earnings					Retained profit
	Total equity	Equity certificates	Share premium reserve	Additional Tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for use adjustment		
								unrealised gains	contingent income as reclass.	
31.12.2020										
Equity as at 31.12.2019	3.714,3	207,3	387,8	352,4	405,7	2.045,5	38,1	277,5	0,0	0,0
Ordinary result	434,9	0,0	0,0	15,9	82,2	179,5	0,0	157,3	0,0	0,0
Change in lending at fair value through comprehensive income	0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,1	0,0
Actuarial gains and losses on defined-benefit plans	-1,9	0,0	0,0	0,0	-0,6	-1,3	0,0	0,0	0,0	0,0
Comprehensive income	433,1	0,0	0,0	15,9	81,6	178,3	0,0	157,3	0,1	0,0
Dividend to equity certificate holders 2019 - adopted	-74,6	0,0	0,0	0,0	-74,6	0,0	0,0	0,0	0,0	0,0
Dividend to social capital 2019 - adopted	-59,7	0,0	0,0	0,0	0,0	-59,7	0,0	0,0	0,0	0,0
Interest paid on hybrid capital	-16,6	0,0	0,0	-16,6	0,0	0,0	0,0	0,0	0,0	0,0
Equity as at 31.12.2020	3.996,5	207,3	387,8	351,7	412,6	2.164,1	38,1	434,7	0,2	0,0

Cash Flow Statement - Parent Bank

		31.03.2021	31.03.2020	31.12.2020
Operating activities				
Profit before tax		24,7	14,8	467,1
Adjusted for:				
Change in net interest income earned and accrued interest costs		16,6	32,3	7,1
Net payment/disbursement of loans to financial institutions		-716,0	-78,8	37,7
Net receipts/payments of loans to customers		-1.257,5	1.384,1	531,0
Change in certificates and bonds		514,9	-1.016,8	-29,1
Changes in value of equities and units		1,5	-3,5	-161,5
Change in other assets in connection with operations		-18,2	22,5	16,9
Net receipts/disbursement of borrowing from financial institutions		199,2	95,5	550,2
Net receipts/disbursement of deposits from customers		889,6	-483,5	41,8
Change in other operating liabilities		-48,1	198,2	108,4
Non-cash items included in profit before tax costs		6,3	9,0	30,0
Net gain/loss from investing activities		0,0	-0,2	-0,4
Net gain/loss from financing activities		0,0	0,6	1,3
Taxes paid for the period		-30,6	-23,9	-61,0
Net cash flow from operating activities	A	-417,7	150,3	1.539,5
Investing activities				
Payments on purchases of tangible fixed assets		-5,4	-3,3	-13,7
Proceeds from sale of fixed assets		0,2	0,4	0,8
Net proceeds/costs on the sale/purchase of financial investments		8,5	0,0	-19,9
Payment concerning investments in subsidiaries		0,0	0,0	-240,0
Net cash flow from investing activities	B	3,4	-2,9	-272,8
Financing activities				
Net incoming/outgoing payments for loans to/from financial institutions		-300,0	300,0	300,0
Payments on repayment of securities		-70,0	-130,6	-1.371,2
Proceeds on issuance of securities		799,6	0,0	0,0
Payment of dividend		0,0	0,0	-74,6
Interest paid on hybrid capital		-3,4	-4,8	-16,6
Net cash flow from financing activities	C	426,2	164,6	-1.162,4
Net change in cash and cash equivalents	A+B+C	11,9	311,9	104,4
Cash and cash equivalents at 01.01		422,8	318,4	318,3
Holding of cash and cash equivalents at the end of the period		434,7	630,3	422,8

Liquidity reserves include cash and deposits with central banks and loans to and deposits with financial institutions which are investment placements.

Additional information for operating activities concerning interest and dividend income		31.03.2021	31.03.2020	31.12.2020
Interest payments received		120,7	204,4	628,9
Interest payments made		33,6	75,1	303,5
Dividends received		2,2	5,2	174,6

Key Figures, Group

	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Profitability					
1. Return on equity*	6,19	6,82	7,23	24,34	7,00
2. Net interest income as a % of average total assets	1,36	1,50	1,53	1,26	1,54
3. Profit/loss after tax as a % of average total assets	0,58	0,66	0,70	2,18	0,65
4. Costs as a % of average total assets	0,71	0,75	0,66	0,57	0,75
5. Costs as a % of income (before losses on loans/guarantees)*	47,92	45,96	41,88	18,96	47,50
6. Costs as a % of income (excl. return on financial investments)*	48,57	46,69	40,75	42,05	40,66
Balance sheet figures					
7. Net lending to customers	38.441,0	35.443,8	31.366,3	32.013,4	33.735,1
8. Lending growth (quarter)	8,46	13,00	-2,02	-5,10	-1,43
9. Deposits	15.748,6	14.845,1	14.542,0	14.851,5	14.313,7
10. Deposit growth (quarter)	6,09	2,08	-2,08	3,76	-3,23
11. Average equity	4.001,6	3.997,3	3.987,3	3.835,0	3.686,9
12. Average total assets	45.236,2	43.404,4	43.219,6	43.650,1	42.993,0
Loss provisions on impaired and non-performing commitments					
13. Losses as a % of net lending to customers (OB)*	0,03	0,05	0,02	0,02	0,09
14. Loss provisions as a % of gross lending to customers*	0,33	0,35	0,39	0,38	0,35
15. Net payment defaults exceeding 90 days as a % of net lending	0,26	0,29	0,35	0,33	0,40
16. Other net non-performing commitments (Stage 3) as a % of net lending	0,06	0,02	0,02	0,04	0,04
Financial strength					
17. CET1 capital ratio incl. 50% of retained earnings (%)	17,75	17,96	18,51	17,89	17,81
18. CET1 capital ratio (%)	17,61	17,96	17,53	17,11	17,64
19. Tier 1 capital ratio (%)	19,28	19,67	19,39	18,95	19,43
20. Capital adequacy ratio (%)	21,20	21,34	21,22	20,75	21,21
21. Risk-weighted volume (calculation basis)	20.879,4	20.471,4	18.818,0	19.076,4	19.579,4
22. Leverage ratio incl. 50% of retained earnings (%)	8,59	9,03	8,93	8,57	8,71
23. Leverage ratio (%)	8,53	9,03	8,50	8,23	8,64
Liquidity					
24. Deposit coverage ratio	40,97	41,88	46,36	46,39	42,43
25. LCR (%)	254,25	266,93	337,87	371,91	278,50
Branches and FTEs					
26. No. of branches	29	29	29	29	29
27. FTEs	187	184	188	187	192
Equity certificates					
28. Ownership fraction (parent bank) (%)	29,59	31,40	31,40	31,40	31,40
29. No. of equity certificates	20.731.183	20.731.183	20.731.183	20.731.183	20.731.183
30. Book equity per equity certificate*	58,55	61,18	64,53	63,43	59,92
31. Earnings per equity certificate*	0,87	1,04	1,10	3,51	0,97
32. Dividend per equity certificate**	0,00	4,50	0,00	0,00	0,00
33. Turnover rate	24,90	24,98	11,83	19,23	26,54
34. Price	51,00	51,40	44,70	47,10	41,00

* Defined as alternate performance target

** The dividend per equity certificate for 2020 was up to NOK 4.50, where NOK 3.50 was paid out following the Board of Trustees' resolution on 25 March 2021 and where the Board of Trustees granted the Board of Directors special authorisation to make a decision on paying a dividend of up to NOK 1.00 at the earliest on 01.10.2021 and by no later than the annual meeting of the Board of Trustees in 2022.

Definition of key figures and alternative profit targets

Profitability	
1. Return on equity*	The profit/loss that is attributable to equity certificates and primary capital as a % of average equity adjusted for hybrid capital. The key figure provides relevant information about the group's profitability by measuring its ability to generate profitability on equity. The return on equity is one of Sparebanken Øst's most important target figures.
2. Net interest income as a % of average total assets	Net interest income as a % of average total assets
3. Profit/loss after tax as a % of average total assets	Profit/loss after tax as a % of average total assets
4. Costs as a % of average total assets	Payroll, etc., administrative costs, amortisation and other operating costs as % of average total assets
5. Costs as a % of income (before losses on loans/guarantees)*	Payroll, etc., administrative costs, amortisation and other operating costs as a % of net interest income, dividend, net commission income, net value changes and gains/losses on financial instruments and other operating income. The key figure is used to provide information about the ratio between income and costs.
6. Costs as a % of income (excl. return on financial investments)*	Payroll, etc., administrative costs, amortisation and other operating costs as a % of net interest income, net commission income and other operating income. The key figure is used to provide information about the ratio between income and costs.
Balance sheet figures	
7. Net lending to customers	Gross lending minus loss provisions
8. Lending growth (quarter/12 months)	Change in net lending as a % of OB net lending. Quarterly figures show growth in the quarter, while other figures show 12-month growth.
9. Deposits	Customer deposits
10. Deposit growth (quarter/12 months)	Change in deposits as a % of OB deposits. Quarterly figures show growth in the quarter, while other figures show 12-month growth.
11. Average equity	(OB equity (adjusted for hybrid capital) less proposed dividends + CB equity (adjusted for hybrid capital) less proposed dividends)/2.
12. Average total assets	Average total assets based on quarterly balance sheet figures
Loss provisions on impaired and non-performing commitments	
13. Losses as a % of net lending to customers (OB)*	Losses as % of OB net loans to customers for the period. The key figure indicates the recognised loss in relation to net lending at the beginning of the accounting period and provides relevant information on the extent of the losses incurred by the group in relation to its lending volume.
14. Loss provisions as a % of gross lending to customers*	Total loss provisions, Stages 1, 2 and 3, as a % of gross lending. This key figure provides relevant information about credit risk and is deemed useful additional information besides that stated in the loss notes.
15. Net payment defaults exceeding 90 days as a % of net lending	Net payment defaults exceeding 90 days as a % of net lending. This key figure provides relevant information about credit risk and is deemed useful additional information besides that stated in the loss notes.
16. Other net non-performing commitments (Stage 3) as a % of net lending	Net other non-performing commitments as a % of net lending. This key figure provides relevant information about credit risk and is deemed useful additional information besides that stated in the loss notes.
Financial strength	
17. CET1 capital ratio incl. 50% of retained earnings (%)	CET1 capital incl. 50% of equity certificate holders' and primary capital share of the unallocated profit as a % of risk-weighted volume (basis for calculation)
18. CET1 capital ratio (%)	CET1 capital as a % of the risk-weighted volume (basis for calculation)
19. Tier 1 capital ratio (%)	Tier 1 capital as a % of the risk-weighted volume (basis for calculation)
20. Capital adequacy ratio (%)	Total primary capital as a % of the risk-weighted volume (basis for calculation)
21. Risk-weighted volume (calculation basis)	Total credit and counterparty risk, currency risk, operational risk and calculation basis for impaired counterparty credit rating (CVA)
22. Leverage ratio incl. 50% retained earnings (%)	Tier 1 capital incl. 50% of equity certificate holders' and primary capital share of the unallocated profit as a % of the unweighted basis for calculation.
23. Leverage ratio (%)	Tier 1 capital as a % of unweighted calculation basis
Liquidity	
24. Deposit coverage ratio	Deposits as a % of net lending to customers.
25. LCR (%)	Liquid assets as a % of net payments in a stress scenario lasting 30 days
Branches and FTEs	
26. No. of branches	
27. FTEs	
Equity certificates	
28. Ownership fraction (parent bank) (%)	Equity certificate holders' share of total equity adjusted for hybrid capital (less proposed dividends) as a % (basis at 01.01, time-weighted at issue).
29. No. of equity certificates	Total no. of outstanding equity certificates
30. Book equity per equity certificate*	Equity share capital divided by no. of equity certificates. The calculation includes the year's allocation for dividends. The key figure provides information about the value of the book equity per equity certificate. This allows the reader to assess the reasonableness of the market price in relation to the equity certificate.
31. Earnings per equity certificate*	The equity share capital's share of the profit/loss after tax divided by time-weighted average number of equity certificates during the period.
32. Dividend per equity certificate	Dividend in NOK per equity certificate
33. Turnover rate	Annualised turnover rate (traded as a % of issued)
34. Price	The most recently traded price on the Oslo Stock Exchange as at the balance sheet date.

* Defined as alternate performance target

Financial Performance - Group

dsadsa	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Interest income	231,2	238,0	245,6	287,4	350,4
Interest costs	80,0	74,0	79,3	150,1	185,9
Net interest income	151,2	164,0	166,3	137,3	164,6
Commission income and income from banking services	17,9	19,8	19,1	17,8	21,3
Commission costs and costs for banking services	10,4	11,6	10,4	10,1	10,7
Dividend	2,2	6,4	0,1	0,0	5,2
Net changes in value and gains/losses on financial instruments	0,0	-3,7	-4,9	178,5	-33,7
Other operating income	3,8	3,3	1,9	1,6	22,5
Net other operating income	13,5	14,2	5,9	187,9	4,6
Payroll, etc.	47,0	46,3	43,8	30,6	46,6
Administration costs	14,3	15,4	13,9	13,2	14,9
Depreciation/write-downs/changes in value for non-financial assets	6,9	7,4	6,9	6,6	6,5
Other operating costs	10,8	12,9	7,4	11,2	12,4
Total operating costs	78,9	81,9	72,1	61,6	80,4
Profit/loss before losses	85,8	96,3	100,0	263,5	88,8
Losses on loans, unused credit and guarantees	2,6	3,7	2,0	1,8	7,6
Profit/loss before tax costs	83,2	92,6	98,1	261,7	81,2
Tax costs	18,6	20,6	22,1	25,4	12,2
Profit/loss after tax	64,6	72,0	75,9	236,3	69,0
Hybrid capital owners' share of the result	3,5	3,4	3,5	4,2	4,8
Equity certificate holders' and primary capital share of profits	61,1	68,5	72,4	232,1	64,2
Profit/loss after tax	64,6	72,0	75,9	236,3	69,0
Earnings per equity certificate	0,87	1,04	1,10	3,51	0,97
Diluted earnings per equity certificate	0,87	1,04	1,10	3,51	0,97

Other comprehensive income performance - Group

(Amounts in NOK millions)	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Profit/loss after tax	64,6	72,0	75,9	236,3	69,0
Items that will not be reclassified to the income statement					
Actuarial gains and losses on defined-benefit plans	0,0	-2,4	0,0	0,0	0,0
Tax related to items that cannot be reclassified	0,0	0,6	0,0	0,0	0,0
Comprehensive income	64,6	70,2	75,9	236,3	69,0

Balance sheet performance - Group

(Amounts in NOK millions)	31.03.2021	31.12.2020	30.09.2020	30.06.2020	31.03.2020
Assets					
Cash and receivables from central banks	421,8	409,4	441,0	536,3	620,1
Loans to and receivables from financial institutions	12,9	13,4	12,3	8,2	10,2
Loans to and receivables from customers	38.441,0	35.443,8	31.366,3	32.013,4	33.735,1
Certificates and bonds	6.238,7	6.790,2	9.316,0	9.562,9	7.936,2
Shares and units	801,0	811,0	814,8	810,8	633,1
Financial derivatives	245,8	374,1	552,5	530,8	435,4
Investment properties	11,9	11,9	12,0	12,1	3,9
Tangible fixed assets	147,4	145,1	143,0	143,6	136,9
Lease rights	44,2	44,1	46,5	47,9	50,3
Other assets	16,5	14,9	16,3	17,5	14,8
Prepaid non-accrued costs and income earned, but not received	21,5	11,7	18,4	16,5	24,1
Total assets	46.402,6	44.069,7	42.739,1	43.700,1	43.600,1
Liabilities and equity					
Liabilities to financial institutions	300,9	601,0	601,4	601,0	602,5
Deposits from and liabilities to customers	15.748,6	14.845,1	14.542,0	14.851,5	14.313,7
Financial derivatives	18,0	17,9	25,3	29,9	21,7
Securities issued	24.912,5	23.111,0	21.950,7	22.698,7	23.394,7
Other liabilities	441,3	501,8	553,2	528,8	499,9
Accruals and deferred income	47,9	43,0	41,5	34,4	39,7
Other provisions and liabilities	63,0	62,9	67,6	67,7	67,8
Deferred tax liability	0,5	0,0	0,7	2,2	3,3
Lease liabilities	45,0	44,9	47,2	48,6	50,8
Subordinated loan capital	400,2	400,1	400,0	400,0	400,4
Total liabilities	41.977,7	39.627,7	38.229,6	39.262,8	39.394,5
Paid-up equity	595,1	595,1	595,1	595,1	595,1
Hybrid capital	351,8	351,7	351,7	352,0	352,3
Retained earnings	3.478,0	3.495,1	3.562,7	3.490,3	3.258,2
Total equity	4.424,9	4.442,0	4.509,5	4.437,4	4.205,7
Total liabilities and equity	46.402,6	44.069,7	42.739,1	43.700,1	43.600,1