

179th year

QUARTERLY REPORT

Q2 2021



Interim financial statements, Q2 2021

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Key figures - Group

Income Statement (Amounts in NOK millions)	Q2 2021	Q2 2020	01.01-30.06.2021	01.01-30.06.2020	Full year 2020
Net interest income	151,8	137,3	303,0	301,9	632,1
Net commission income	7,1	7,7	14,6	18,3	35,1
Net result from financial assets	71,1	178,6	73,3	150,1	148,1
Other operating income	1,9	1,6	5,7	24,1	29,3
Total net income	231,9	325,1	396,6	494,3	844,7
Total operating costs	68,2	61,6	147,1	142,0	296,0
Profit/loss before losses	163,8	263,5	249,6	352,3	548,7
Losses on loans, unused credit and guarantees	0,6	1,8	3,2	9,4	15,1
Profit/loss before tax costs	163,2	261,7	246,4	342,9	533,6
Tax costs	21,8	25,4	40,3	37,7	80,4
Profit/loss after tax	141,4	236,3	206,0	305,2	453,1
Key figures	Q2 2021	Q2 2020	01.01-30.06.2021	01.01-30.06.2020	Full year 2020
Profitability					
Return on equity*	13,49	24,34	9,86	15,67	11,47
Net interest income as a percentage of average total assets	1,28	1,26	1,32	1,40	1,46
Profit after tax as a percentage of average total assets	1,19	2,18	0,89	1,42	1,05
Costs as a percentage of average total assets	0,57	0,57	0,64	0,66	0,68
Costs as a % of income (before losses on loans/guarantees)*	29,39	18,96	37,08	28,73	35,04
Costs as a % of income (excl. return on financial investments)*	42,38	42,05	45,49	41,26	42,50
Balance sheet figures					
Net lending to customers	40.425,6	32.013,4	40.425,6	32.013,4	35.443,8
Lending growth (quarter/12 months)	5,16	-5,10	26,28	-8,01	3,56
Deposits	17.318,3	14.851,5	17.318,3	14.851,5	14.845,1
Deposit growth (quarter/12 months)	9,97	3,76	16,61	-1,09	0,36
Average equity	4.101,1	3.835,0	4.070,5	3.802,9	3.812,9
Average total assets	47.659,8	43.650,1	46.463,1	43.228,7	43.299,0
Loss provisions on impaired and non-performing commitments					
Losses as a % of net lending to customers (OB)*	0,01	0,02	0,02	0,06	0,04
Loan loss provisions as a percentage of gross lending to customers*	0,32	0,38	0,32	0,38	0,35
Net payments over 90 days past due as a percentage of net lending*	0,21	0,33	0,21	0,33	0,29
Other net non-performing commitments (Stage 3) as a percentage of net lending*	0,18	0,04	0,18	0,04	0,02
Financial strength					
CET1 capital ratio incl. 50% of retained earnings (%)	17,26	17,89	17,26	17,89	17,96
CET1 capital ratio (%)	16,79	17,11	16,79	17,11	17,96
Tier 1 capital ratio (%)	18,41	18,95	18,41	18,95	19,67
Capital adequacy ratio (%)	20,27	20,75	20,27	20,75	21,34
Risk-weighted volume (calculation basis)	21.606,6	19.076,4	21.606,6	19.076,4	20.471,4
Tier 1 leverage ratio incl. 50% of retained earnings (%)	8,20	8,57	8,20	8,57	9,03
Tier 1 leverage ratio (%)	8,00	8,23	8,00	8,23	9,03
Liquidity					
Deposit coverage ratio	42,84	46,39	42,84	46,39	41,88
LCR (%)	214,34	371,91	214,34	371,91	266,93
Branches and FTEs					
No. of branches	29	29	29	29	29
FTEs	183	187	183	187	184
Equity certificates					
Ownership fraction (parent bank) (%)**	29,59	31,40	29,59	31,40	31,40
No. of equity certificates	20.731.183	20.731.183	20.731.183	20.731.183	20.731.183
Book equity per equity certificate*	60,52	63,43	60,52	63,43	61,18
Earnings per equity certificate*	1,97	3,51	2,84	4,49	6,62
Dividend per equity certificate***	0,00	0,00	0,00	0,00	4,50
Turnover rate	22,27	19,23	23,62	23,03	20,64
Price	52,00	47,10	52,00	47,10	51,40

* Defined as alternate performance target

** For ownership fraction at 01.01.2021, see Note 19

*** The dividend per certificate is up to NOK 4.50 for 2020, where NOK 3.50 is payable based on the Board of Trustees decision on 25 March 2021 and the Board of Trustees has given the Board of Directors special authorisation to make a decision on paying a dividend of up to NOK 1.00 no earlier than 1 October 2021 and no later than the annual meeting of the Board of Trustees in 2022. For definition of key figures and a review of alternative performance targets, see p. 49.

Board of Directors' Report

Sparebanken Øst has had a large customer influx, resulting in high growth in lending and deposits in the quarter and last 12 months. Lending growth rates were 5.16 per cent and 26.28 per cent, respectively. The deposit growth rates for the same periods were 9.97 per cent and 16.61 per cent.

Sparebanken Øst achieved a very good profit after tax of NOK 141.4 million in Q2 2021, which represents a return on equity of 13.49 per cent. Earnings per equity certificate in the quarter were NOK 1.97. Net interest income amounted to NOK 151.8 million and increased by NOK 14.5 million compared with the same period last year. The profit effect from equity investments amounts to NOK 76.5 million and is down by NOK 81.7 million compared to the same quarter last year. The value of the liquidity portfolio is minus NOK 5.3 million, down by NOK 24.3 million compared with the same quarter last year. Costs are stable as a percentage of average total assets, although operating costs increased by NOK 6.5 million compared to the same period last year and amount to NOK 68.2 million in the quarter. Losses on loans were very low and amounted to NOK 0.6 million, compared with NOK 1.8 million in the same quarter last year.

The profit after tax for the first half of 2021 amounted to NOK 206.0 million, which represents a return on equity of 9.86 per cent. Earnings per equity certificate are NOK 2.84 to date this year. Net interest income amounted to NOK 303.0 million and increased slightly compared to the first half of last year. The profit/loss effect from equity investments amounted to NOK 77.2 million, down NOK 89.7 million compared with the same period last year. Costs have decreased as a percentage of average total assets, although operating costs increased by NOK 5.1 million compared to the first half of last year and amount to NOK 147.1 million in the first half of 2021. Losses on loans were very low and amounted to NOK 3.2 million, compared with NOK 9.4 million in the same period 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 the IRB banks that the Bank competes against. The Bank is very sound with a leverage ratio of 8.20 per cent and a CET1 capital ratio of 17.26 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.

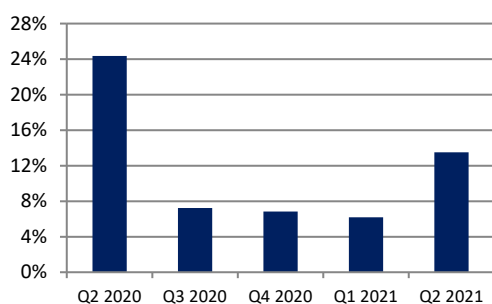
Quarterly profit

Sparebanken Øst achieved a profit after tax of NOK 141.4 million for Q2 2021. The corresponding profit after tax for Q2 2020 was NOK 236.3 million. The profit effect from the equity investment in Frende Holding AS amounts to NOK 69.0 million in Q2 2021 and relates to dividend income received from the company in the quarter. In the same quarter last year, a positive change in the value of the

equity investment in Frende Holding AS had a profit/loss effect of NOK 154.0 million. The value of the liquidity portfolio dropped by NOK 5.3 million in the quarter, compared to a gain of NOK 19.1 million in Q2 2020.

The return on equity for the quarter was 13.49 per cent, compared with 24.34 per cent for the same quarter in 2020.

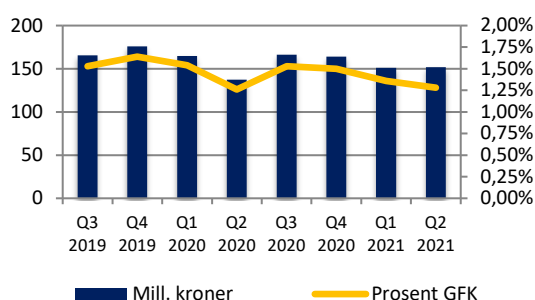
The table below presents the return on equity over the past five quarters.



Net interest income

Net interest income increased by NOK 14.5 million to NOK 151.8 million in Q2 2021, compared to NOK 137.3 million in the same quarter of 2020. Net interest income amounted to 1.28 per cent of average total assets in the quarter. Developments in net interest income are marked by high lending growth in a market characterised by strong competition for the best customers, continued low deposit margins as a result of the low interest rates, and the fact that the fall in money market rates from March this year will not have its full effect on the Bank's borrowing costs until mid-June. The corresponding quarter last year was characterised by rapid implementation of interest rate reductions on loans, where the effect of lower money market rates did not hit borrowing costs until Q3 2020.

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

80.1 million in Q2 2021, compared with NOK 187.9 million in the same quarter of 2020.

- Net commission income amounted to NOK 7.1 million, a decrease of NOK 0.7 million compared with the same quarter last year.
- The recognised dividend amounted to NOK 69.0 million in the quarter and is made up of dividends received from Frende Holding AS. In comparison, no income was recognised as a result of dividend payments in the same quarter last year. The Bank did not receive any dividends from Frende Holding AS in 2020.
- Net value changes and gains/losses from financial instruments amounted to a gain of NOK 2.1 million during Q2 2021, a decrease of NOK 176.4 million compared with the same quarter last year. In Q2 2020, value adjustment of shares in Frende Holding AS brought a gain of NOK 154.0 million. The value of the liquidity portfolio fell by NOK 5.3 million during the quarter. In comparison, the change in value was positive by NOK 19.1 million in the same quarter last year, as a result of the credit premiums having normalised following the significant increase as a result of the Covid-19 outbreak and the fall in oil prices in Q1 2020. The positive change in value linked to shares and share rights in Visa Inc. amounted to NOK 5.4 million compared with a positive change in value of NOK 4.2 million in the same quarter last year. The positive change in the value of the Bank's shares in Kraft Bank ASA amounted to NOK 2.0 million in the quarter. The net financial impact of currency, derivatives and fixed-rate lending at fair value was NOK 0.0 million in the quarter, compared with a positive impact of NOK 2.7 million in the same quarter last year. The cost of buying back the bank's own issued debt amounted to NOK 0.2 million during the quarter, compared with NOK 1.4 million in the same quarter last year.
- Other operating income increased by NOK 0.4 million compared to the same quarter

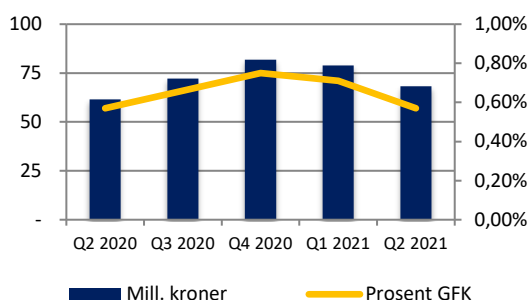
last year and amounted to NOK 1.9 million in Q2 2021.

Operating costs

Total operating costs are stable measured as a percentage of average total assets and amount to 0.57 per cent. In Q2 2021, operating costs increased by NOK 6.5 million compared to the same quarter last year and amounted to NOK 68.2 million in the quarter. The changes concern the following:

- Payroll costs amounted to NOK 35.4 million compared with NOK 30.6 million in the same quarter last year. In addition to general wage developments, the Bank has brought new expertise into the organisation in the last year to address increased complexity and further develop the Bank.
- Administrative costs amounted to NOK 15.4 million in Q2 2021, compared with NOK 13.2 million in the same quarter of 2020.
- Depreciation amounted to NOK 7.0 million compared with NOK 6.6 million in Q2 2020.
- Other operating costs amounted to NOK 10.4 million in Q2 2021, compared with NOK 11.2 million in the same quarter of 2020.

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 0.6 million in Q2 2021, compared with NOK 1.8 million in Q2 2020.

At the end of the quarter, total loan loss provisions amounted to NOK 128.5 million, equating to 0.32 per cent of gross lending to customers. By comparison, total loan loss provisions amounted to NOK 121.5 million, equating to 0.38 per cent of gross lending to customers at the end of Q2 2020. Individually assessed loan loss provisions amounted to NOK 92.2 million at the end of Q2 2021, compared with NOK 87.2 million at the end of Q2 2020.

At the end of the quarter, net non-performing commitments amounted to NOK 158.8 million, compared with NOK 116.2 million at the end of the same quarter in 2020. The increase in net non-performing loans is explained by a change in the definition of default in line with the EBA's guidelines, which came into force from 01.01.2021 and which the Bank implemented in Q1 2021. The change in the definition of default has resulted in commitments being reported as non-performing for a waiting period of at least 3 months after the default position ceased. At the end of Q2 2021, total commitments in the waiting period are NOK 41.6 million net, which account for the increase in non-performing commitments compared to the end of the same quarter last year. The commitments are included in the net other non-performing commitments in Note 5.

The economic outlook 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 macro scenarios' probability weighting when calculating model-calculated expected credit loss was unchanged at the end of Q2 2021 compared with what was used in the preparation of the annual financial statements for 2020. Model-calculated loan loss provisions in Stage 1 and

Stage 2 amounted to NOK 35.1 million at the end of Q2 2021 compared with NOK 33.6 million at the end of Q2 2020. Loan loss provisions on non-performing commitments (Stage 3) increased by NOK 5.5 million compared with the same quarter last year and amounted to NOK 93.4 million, of which NOK 88.7 million was related to commitments in AS Financiering.

Tax costs

Tax costs during Q2 2021 totalled NOK 21.8 million and amount to 13.3 per cent of the profit before tax. This low tax cost is explained primarily by the dividend income from the shares in Frende Holding AS, which are subject to the exemption method.

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.

Profit for the first half year

Sparebanken Øst achieved a profit after tax of NOK 206.0 million for the first half of 2021.

The equivalent profit after tax for the first half of 2020 was NOK 305.2 million. The return on equity in the first half of 2021 was 9.86 per cent, compared with 15.67 per cent for the same period last year. Profit effects from the equity investment in Frende Holding AS were NOK 69.0 million in the first half of 2021. The profit from the equity investment in Frende Holding AS and gains from the sale of real estate totalled NOK 173.8 million in the first half of 2020.

Net interest income amounted to NOK 303.0 million for the first half of 2021, an increase of NOK 1.1 million compared with the first half of 2020. Net interest income amounted to 1.32 per cent of average total assets in the first half-year, compared with 1.40 per cent in the same period last year. Developments in net interest income are characterised by high lending growth in a market characterised by strong competition for the best customers, low deposit margins as a result of the low interest rate level and temporarily higher money market rates from mid-December 2020.

Net commission income amounted to NOK 14.6 million for the first half of 2021, a decrease of NOK 3.7 million compared with the first half of 2020. The reduction was mainly due to fewer money-transfer transactions compared with the same period last year.

Dividends received in the first half of 2021 totalled NOK 71.2 million, of which NOK 69.0 million related to dividends received from Frende Holding AS. By comparison, dividends in the first half of 2020 totalled NOK 5.3 million, primarily derived from dividends from Eksportfinans ASA. The Bank did not receive any dividends from Frende Holding AS in 2020.

Net value changes and gains/losses from financial instruments amounted to NOK 2.1 million in the first half of 2021, a decrease of NOK 142.7 million compared with the first half of 2020. In the first half of 2020, positive value adjustment of shares in Frende Holding AS brought a gain of NOK 154.0 million. The value of the liquidity portfolio fell by NOK 4.5 million in the first half of 2021, compared with a

decrease of NOK 10.8 million in the same period last year. The positive change in value linked to shares and share rights in Visa Inc. amounted to NOK 3.9 million in the first half of 2021, compared with a positive change in value of NOK 7.6 million in the same period last year. The positive change in the value of the Bank's shares in Kraft Bank ASA amounted to NOK 2.0 million in the first half of 2021. The positive impact on the results from currency, derivatives and fixed-rate loans at their true value amounts to NOK 0.7 million in the first half of 2021, while the equivalent figure for the same period last year was a loss of NOK 3.4 million. The cost of buying back the Bank's own issued debt amounted to NOK 0.2 million during the first half of 2021, compared with NOK 2.6 million in the same period last year.

Other operating income amounted to NOK 5.7 million in the first half of 2021, compared with NOK 24.1 million in the first half of 2020. The reduction was primarily attributable to a one-time gain of NOK 19.8 million from sales of properties in the first half of 2020.

Total operating costs decreased by 0.02 percentage points measured as a percentage of average total assets compared to the first half of last year, and amount to 0.64 per cent at the end of the first half of 2021. Operating costs totalled NOK 147.1 million in the first half of 2021, compared with NOK 142.0 million in the first half of 2020. In addition to general wage developments, the Bank has brought new expertise into the organisation in the last year to address increased complexity and further develop the Bank.

Losses on lending to customers are very low, amounting to NOK 3.2 million in the first half of 2021, compared with NOK 9.4 million in the first half of 2020. Recognised losses in the first half of 2020 include NOK 4.1 million in increased model-calculated loan loss provisions as a result of the COVID-19 pandemic.

Tax costs during the first half of 2021 totalled NOK 40.3 million and amount to 16.4 per cent of the profit before tax. This low tax cost is explained primarily by the dividend income

from the shares in Frende Holding AS, which are subject to the exemption method.

Balance sheet as at 30.06.2021

Total assets increased by NOK 5,216.9 million compared with 30.06.2020 and amounted to NOK 48,917.1 million at the end Q2 2021.

Assets

- Cash and receivables at central banks amounted to NOK 290.8 million as at 30.06.2021, compared with NOK 536.3 million as at 30.06.2020.
- Net lending to financial institutions amounted to NOK 7.6 million as at 30.06.2021, compared with NOK 8.2 million as at 30.06.2020.
- Net lending to customers amounted to NOK 40,425.6 million as at 30.06.2021, compared with NOK 32,013.4 million as at 30.06.2020. This represents an increase of NOK 8,412.2 million in the past 12 months, or 26.28 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 88.4 per cent of total lending to customers.
- Holdings of certificates and bonds amounted to NOK 6,868.8 million as at 30.06.2021, compared with NOK 9,562.9 million as at 30.06.2020. Liquidity reserves measured using LCR totalled 214.34 per cent as at 30.06.2021, compared with 371.9 per cent as at 30.06.2020. 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 808.4 million as at 30.06.2021, compared with NOK 810.8 million as at 30.06.2020.

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 30.06.2021.

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 30.06.2021.

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 30.06.2021. 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 30.8 million as at 30.06.2021.

The Bank owns 'C' shares in Visa Inc. The shareholding was valued at NOK 38.3 million as at 30.06.2021. 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 14.9 million as at 30.06.2021.

The Bank owns 9.92 per cent of the shares in Norwegian Block Exchange AS (NBX). The shareholding was valued at NOK 15.0 million as at 30.06.2021.

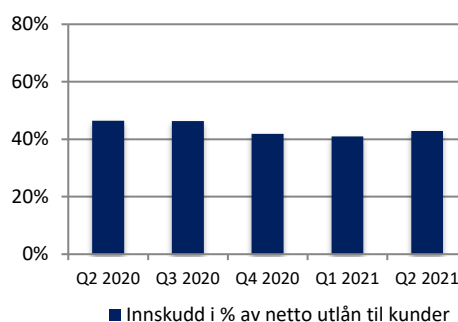
Liabilities

- Deposits from customers amounted to NOK 17,318.3 million as at 30.06.2021, compared with NOK 14,851.5 million as at 30.06.2020. This is an increase of NOK

2,466.8 million, or 16.61 per cent, in the past 12 months. The deposit coverage ratio in the group at the end of Q2 2021 was 42.84 per cent, compared with 46.39 per cent at the end of Q2 2020.

- Securities issued amounted to NOK 25,775.7 million as at 30.06.2021, compared with NOK 22,698.7 million as at 30.06.2020. The degree of stable and long-term financing measured by NSFR was 121.1 per cent as at 30.06.2021, compared with 116.8 per cent as at 30.06.2020. The average maturity for market funding was 3.32 years as at 30.06.2021, compared with 3.06 years as at 30.06.2020. As part of the phasing-in plan for MREL in the first half of 2021, the Bank has issued senior non-preferred debt (SNP) with a nominal value of NOK 400 million.
- Other borrowing amounted to NOK 300.1 million as at 30.06.2021, compared with NOK 601.0 million as at 30.06.2020.
- Short-term borrowing (defined as borrowing with a remaining term to maturity of less than 1 year) amounted to NOK 5,100.0 million as at 30.06.2021.

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 17.26 per cent at the end of Q2 2021, compared with 17.89 per

cent at the end of the same quarter in 2020.

- 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 June 2020. Given the current level of the countercyclical buffer of 1,0 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.

For the Bank, the systemic risk buffer will increase by 1.5 percentage points from 3.0 per cent to 4.5 per cent from 31 December 2022. The countercyclical capital buffer will be increased by 0.5 percentage points from 1.0 per cent to 1.5 per cent from 30 June 2022. It has been announced that the countercyclical capital buffer will be increased by a further 1.0 percentage point to 2.5 per cent, as it was before March 2020 and the Covid-19 outbreak.

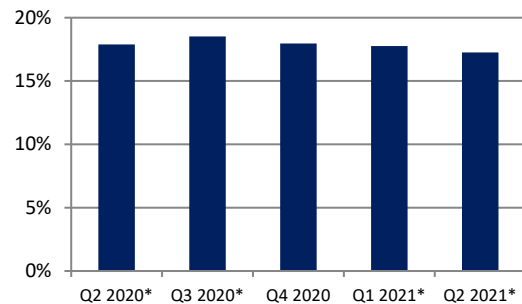
The extension of the SME discount in CRR2 is expected to be implemented at the end of 2021. The Bank's calculations show that the extension of the SME discount will result in an increase in the CET1 capital ratio of about 0.35 percentage points based on the loan portfolio as of 30 June 2021.

With a high CET1 capital ratio, the Bank is very well positioned to meet announced and expected future increases in capital requirements, while at the same time the Bank has both dividend capacity and room for manoeuvre for lending growth.

- Net primary capital at the end of Q2 2021 amounted to NOK 4,378.8 million, of which NOK 3,978.8 million constituted the group's CET1 capital. Given a calculation basis of NOK 21,606.6 million, this corresponds to a capital adequacy ratio of 20.27 per cent, of which 18.41 per cent constitutes the Tier 1 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 8.20 per cent at the end of Q2 2021, compared with 8.57 per cent at end Q2 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.

Significant differences in treatment of equal risk between banks

Sparebanken Øst bases its capital calculations on the principles in the standard method. Compared to IRB banks, this means that loans with the same risk have significantly higher risk weights. As a result, Sparebanken Øst has to hold far more of its own capital for equivalent loans than the largest banks to maintain similar financial strength measured as CET1 capital ratio. The end of the Basel 1 floor for the Norwegian IRB banks from 31 December 2019 made this clear. The differential treatment has a major negative impact on the Bank's competitiveness and return on equity.

As a standard method bank, the Bank has to use a risk weight of 35 per cent at a LTV ratio of 80 per cent or lower for residential loans. As of 31.12.2020, Norwegian IRB banks had an average risk weight of 21 per cent for residential mortgages (Artic Financials - sector report 15 June 2021, Artic Securities).

For business commitments, the Bank has to use a 100 per cent risk weight or 150 per cent risk weight when “financing speculative investment in real estate”. As of 31.12.2020, Norwegian IRB banks had an average risk weight of 55 per cent for financing commercial property (Artic Financials - sector report 15 June 2021, Artic Securities).

Calculations made by the Bank show that the differential treatment in risk weights between the standard method and the Norwegian IRB banks means that Sparebanken Øst needs to hold about NOK 1.1 billion more equity at the end of Q2 2021. With equal treatment of equal risk, the Bank could have had further growth in lending to the housing and the self-employed. Growth capacity is estimated at about 70 per cent in increased lending to both residential and business customers, corresponding to about NOK 26 billion in increased lending. The differential treatment of equal risk shows that capital weights according to IRB models provide significantly higher leverage with the possibility of significantly higher lending volumes relative to equity levels, alternatively reduced equity requirements, resulting in higher return on equity.

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 Norwegian Mortgage 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. The 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 is not exposed 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 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 0.4 per cent of the business market portfolio at the end of Q2 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 certainty and a capability 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 have been granted based on furlough notices and were primarily granted in the period from March to May 2020. At the end of Q2 2021, the volume of temporary interest-only periods as a result of Covid-19 has been reduced significantly and constitutes a total of 0.2 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 ensure that the bank's activities in the financial area are in line with the framework conditions and guidelines in the bank's overall business concept, strategic plans and budgets, as well as ensuring that the activities are justifiable 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, municipalities, 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 Q2 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. The strategy for comprehensive risk management divides the Bank's risk tolerance within operational risk into seven different categories of events. 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 the first half of 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 December 2020. With an 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 Q2 2021 was 46.0 per cent, compared with 48.8 per cent at the end of Q2 2020.

As at 30.06.2021, the company's total assets amounted to NOK 20,877.8 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. A profit after tax of NOK 57.4 million was recorded for the first half of 2021, compared with NOK 37.2 million for the same period last year. The company has no employees, but 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 26.5 million for the first half of 2021, compared with NOK 25.7 million for the same period last year. Total assets amounted to NOK 2,400.1 million. At the end of the first half of 2021, the company had 17 employees, corresponding to 17 FTEs.

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 2.7 million in the first half of 2021, compared with NOK 22.5 million in the same period last year. NOK 19.8 million in profit from the sale of real estate was recognised as income in the first half of 2020. A profit after tax of NOK 0.6 million was recorded for the first half of 2021, compared with NOK 20.2 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 result after tax was a profit of NOK 1.9 million for the first half of 2021, compared with a loss of NOK 0.2 million for the same period last year.

Øst Inkasso AS is a wholly owned subsidiary of Sparebanken Øst. The debt recovery company was wound up by transferring its business to Lindorff AS with effect from 1 January 2021. A profit after tax of NOK 0.0 million was recorded for the first half of 2021, compared to 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 30.06.2021, 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. There are no published financial performance figures for the first half of 2021 for Frende Skade and Frende Liv as at 15 July 2021.

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

Economic developments were positive in the second quarter after tighter infection control measures at the start of the year led to a 1.0 per cent fall in mainland GDP in the first quarter. Activity has gradually increased since the authorities launched the first stage of the plan to reopen Norway in mid-April, and mainland GDP grew by 1.8 per cent in May. The pace of vaccination has increased, and the expectation is that large parts of the adult population will be vaccinated during the summer.

Unemployment fell further during the second quarter. The number of people unemployed at the end of the quarter amounted to 3.0 per cent, a fall of 1.1 percentage points from the first quarter. The decline in unemployment is greatest in industries such as retail, service occupations and tourism, and a further reduction in unemployment is expected in the period ahead.

Inflation in the housing market was somewhat lower in the second quarter after high growth for several quarters. At the end of the second quarter, house prices in Norway were 10.2 per cent higher than 12 months ago. Activity in the housing market is still high, and the number of homes sold was 13.6 per cent higher than in Q2 2020.

Norges Bank presented a new interest rate path on 17 June. The central bank kept the key policy rate unchanged, but has now signalled that it expects to raise the key policy rate in September this year. Norges Bank's updated interest rate path then indicates that the rate will be raised once a quarter through June 2022. The reason for raising the interest rate path is that Norges Bank expects to see marked growth in the Norwegian economy in the future, and that growth among our trading partners will be higher than previously assumed.

Money market rates have fallen through the second quarter, and 3m NIBOR was set at a historically low level of 0.19% during June. Good liquidity in the banking market has resulted in the distance between 3m NIBOR and the key policy rate returning to normal levels at the end of the second quarter after abnormally large differences in the first quarter. The 10-year swap rate was 1.67 per cent at the end of Q2 following a decrease of 0.19 percentage points during the quarter.

Inflation in March stood at 2.9 per cent (CPI) compared to the same month last year, while core inflation (CPI-ATE) was 1.4 per cent. There are currently few signs of higher inflation expectations in Norway.

Outlook

The Norwegian economy is expected to grow relatively rapidly in 2021 despite the start of the year being characterised by infection control measures and lockdowns. The authorities have made a good start on plans to reopen Norway. The number of cases of infection has been declining for a long time, and although new variants of the virus are creating uncertainty, the risk of new, invasive

infection control measures has been reduced as the most vulnerable parts of the population have been vaccinated. Sparebanken Øst believes that the authorities have a good overview and are in a position to implement effective infection control measures where necessary.

Unemployment is expected to continue to fall in the period ahead. Norges Bank's regional network shows broad confidence in increased activity, investment and new hires among Norwegian companies over the next six months. A solid household economy and low interest costs continue to support the residential and holiday home market. Economic activity in the Norway is expected to pick up in the period ahead as mobility increases and restrictions decrease. Household demand is expected to contribute to growth as a result of increased saving during the pandemic.

Norges Bank announced on 17 June that it will keep the key policy rate unchanged at zero per cent. At the same time, they are raising the interest rate path going forward. The key policy rate is now expected to increase by 0.25 percentage point in each of the next four quarters.

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 general conditions and future capital adequacy requirements for banks which calculate capital requirements using the standard method.

Sparebanken Øst believes that it holds a good position in the equity certificate market and aims to ensure simple, open communication with its investors. The return on equity for 2021 is expected to be lower than the target of 10 per cent over time.

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, of which the main product is repayment loans against mortgages in real estate. It is expected that the Bank's lending growth in the period ahead will vary between quarters, and will roughly track credit growth in Norway over time.

Hokksund, 30 June 2021

Drammen, 15 July 2021

Øivind Andersson
Chair

Cecilie Hagby
Deputy Chair

Elly Therese Thoresen
Board member

Jorund Rønning Indreliid
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	Q2 2021	Q2 2020	01.01-30.06.2021	01.01-30.06.2020	Full year 2020
Interest income from assets valued at amortised cost		219,1	247,7	434,2	554,4	992,9
Interest income from assets valued at fair value		16,2	39,6	32,4	83,4	128,6
Interest costs		83,5	150,1	163,6	335,9	489,3
Net interest income	15	151,8	137,3	303,0	301,9	632,1
Commission income and income from banking services		18,3	17,8	36,2	39,1	78,0
Commission costs and costs for banking services		11,2	10,1	21,6	20,8	42,9
Dividend		69,0	0,0	71,2	5,3	11,8
Net value changes and gains/losses on financial instruments	16	2,1	178,5	2,1	144,8	136,3
Other operating income		1,9	1,6	5,7	24,1	29,3
Net other operating income		80,1	187,9	93,7	192,5	212,6
Payroll, etc.		35,4	30,6	82,4	77,3	167,4
Administration costs		15,4	13,2	29,6	28,1	57,4
Depreciation/write-downs/changes in value for non-financial assets		7,0	6,6	13,9	13,0	27,3
Other operating costs		10,4	11,2	21,2	23,6	43,9
Total operating costs	17	68,2	61,6	147,1	142,0	296,0
Profit/loss before losses		163,8	263,5	249,6	352,3	548,7
Losses on loans, unused credit and guarantees	4	0,6	1,8	3,2	9,4	15,1
Profit/loss before tax costs		163,2	261,7	246,4	342,9	533,6
Tax costs		21,8	25,4	40,3	37,7	80,4
Profit/loss after tax		141,4	236,3	206,0	305,2	453,1
Hybrid capital owners' share of the result		3,5	4,2	7,0	8,9	15,9
Equity certificate holders' and primary capital share of profits		137,9	232,1	199,0	296,3	437,2
Profit/loss after tax		141,4	236,3	206,0	305,2	453,1
Earnings per equity certificate		1,97	3,51	2,84	4,49	6,62
Diluted earnings per equity certificate		1,97	3,51	2,84	4,49	6,62

Total income - Group

(Amounts in NOK millions)	Note	Q2 2021	Q2 2020	01.01-30.06.2021	01.01-30.06.2020	Full year 2020
Profit/loss after tax		141,4	236,3	206,0	305,2	453,1
Items that will not be reclassified to the income statement						
Actuarial gains and losses on defined-benefit plans		0,0	0,0	0,0	0,0	-2,4
Tax related to items that cannot be reclassified		0,0	0,0	0,0	0,0	0,6
Comprehensive income		141,4	236,3	206,0	305,2	451,4

Balance Sheet – Group

(Amounts in NOK millions)	Note	30.06.2021	30.06.2020	31.12.2020
Assets				
Cash and receivables from central banks	10,11	290,8	536,3	409,4
Loans to and receivables from financial institutions	10,11	7,6	8,2	13,4
Loans to and receivables from customers	4,7,8,10,11	40.425,6	32.013,4	35.443,8
Certificates and bonds	10,11	6.868,8	9.562,9	6.790,2
Shares and units	10,11	808,4	810,8	811,0
Financial derivatives	10,11,13,14	273,2	530,8	374,1
Investment properties		11,8	12,1	11,9
Tangible fixed assets		149,8	143,6	145,1
Lease rights		41,8	47,9	44,1
Other assets		14,3	17,5	14,9
Prepaid non-accrued costs and income earned, but not received		25,1	16,5	11,7
Total assets		48.917,1	43.700,1	44.069,7
Liabilities and equity				
Liabilities to financial institutions	10,11	300,1	601,0	601,0
Deposits from and liabilities to customers	6,10,11	17.318,3	14.851,5	14.845,1
Financial derivatives	10,11,13,14	13,4	29,9	17,9
Securities issued	10,11,12	25.775,7	22.698,7	23.111,0
Other liabilities		405,8	528,8	501,8
Accruals and deferred income		34,5	34,4	43,0
Other provisions and liabilities		62,9	67,7	62,9
Deferred tax liability		0,7	2,2	0,0
Lease liabilities		42,7	48,6	44,9
Subordinated loan capital	10,11,12	400,1	400,0	400,1
Total liabilities		44.354,3	39.262,8	39.627,7
Paid-up equity		595,1	595,1	595,1
Hybrid capital		351,7	352,0	351,7
Retained earnings		3.615,9	3.490,3	3.495,1
Total equity		4.562,7	4.437,4	4.442,0
Total liabilities and equity		48.917,1	43.700,1	44.069,7

Changes in Equity - Group

(Amounts in NOK million)	Paid-up equity			Hybrid capital		Retained earnings				
	Total equity	Equity certificates	Premium reserve	Additional Tier 1 capital	Equalisation fund	Primary capital	Donations fund	Fund for unrealised gains	Other equity	Retained earnings
30.06.2021										
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	206,0	0,0	0,0	7,0	0,0	0,0	0,0	0,0	0,0	199,0
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	206,0	0,0	0,0	7,0	0,0	0,0	0,0	0,0	0,0	199,0
Dividend to equity certificate holders 2020 - adopt	-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	-7,0	0,0	0,0	-7,0	0,0	0,0	0,0	0,0	0,0	0,0
Equity as at 30.06.2021	4.562,7	207,3	387,8	351,7	340,1	2.158,4	38,1	434,7	445,6	199,0

As part of the appropriation of profits for 2020, the Board of Trustees resolved on 25 March 2021 to grant the Board of Directors special authorisation to decide to pay 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 no earlier than 1 October 2021 and no later than the annual meeting of the Board of Trustees in 2022, if the capital situation and the guidelines from the authorities allow this. Until a 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 million)	Paid-up equity			Hybrid capital		Retained earnings				
	Total equity	Equity certificates	Premium reserve	Additional Tier 1 capital	Equalisation fund	Primary capital	Donations fund	Fund for unrealised gains	Other equity	Retained earnings
30.06.2020										
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	305,2	0,0	0,0	8,9	0,0	0,0	0,0	0,0	0,0	296,3
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	305,2	0,0	0,0	8,9	0,0	0,0	0,0	0,0	0,0	296,3
Interest paid on hybrid capital	-9,4	0,0	0,0	-9,4	0,0	0,0	0,0	0,0	0,0	0,0
Equity as at 30.06.2020	4.437,4	207,3	387,8	352,0	405,7	2.045,5	38,1	277,5	427,2	296,3

(Amounts in NOK million)	Paid-up equity			Hybrid capital		Retained earnings				
	Total equity	Equity certificates	Premium reserve	Additional Tier 1 capital	Equalisation fund	Primary capital	Donations fund	Fund for unrealised gains	Other equity	Retained earnings
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 - adopt	-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)	30.06.2021	30.06.2020	31.12.2020
Operating activities			
Profit before tax	246,4	342,9	533,6
Adjusted for:			
Change in net interest income earned and accrued interest costs	29,2	27,4	-10,0
Net receipts/payments of loans to customers	-4.988,3	2.187,2	-1.247,1
Change in certificates and bonds	-80,3	-2.801,4	-41,6
Changes in value of equities and units	-5,9	-161,6	-161,5
Change in other assets in connection with operations	-20,9	33,9	31,6
Net receipts/disbursement of borrowing from financial institutions	0,0	0,0	0,0
Net receipts/disbursement of deposits from customers	2.448,9	15,8	53,7
Change in other operating liabilities	-79,3	288,9	153,9
Non-cash items included in profit before tax costs	14,6	19,6	42,3
Net gain/loss from investing activities	-0,6	-20,0	-20,2
Net gain/loss from financing activities	0,2	2,6	9,6
Taxes paid for the period	-75,3	-99,5	-99,5
Net cash flow from operating activities	-2.511,4	-164,2	-755,3
Investing activities			
Payments on purchases of tangible fixed assets	-14,2	-22,6	-33,5
Proceeds from sale of fixed assets	1,1	71,8	72,1
Net proceeds/costs on the sale/purchase of financial investments	8,5	-19,6	-19,9
Net cash flow from investing activities	-4,5	29,6	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	-1.592,1	-1.927,9	-4.364,9
Proceeds on issuance of securities	4.363,2	1.998,0	4.997,1
Payment of dividend	-72,6	0,0	-74,6
Interest paid on hybrid capital	-7,0	-9,4	-16,6
Net cash flow from financing activities	2.391,4	360,7	840,9
Net change in cash and cash equivalents	-124,5	226,0	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	298,4	544,4	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	30.06.2021	30.06.2020	31.12.2020
Interest payments received	472,7	652,4	1.147,5
Interest payments made	141,7	322,2	523,5
Dividends received	71,2	5,3	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, in which the parent bank and the mortgage credit company are split into the retail market, the business market and the financial market. There are also other subsidiaries, as well as a non-reportable segment with items that are not allocated to other segments.

Profit/loss

30.06.2021	Retail market	Corporate market	Finance	AS Financiering	Sparebanken Øst Eiendom AS	Unallocated	Eliminations	Group
Net interest and commission income	164,2	62,5	-11,0	68,3	-0,2	18,0	1,2	303,0
Other operating income	27,2	3,7	-4,1	-12,1	2,7	77,6	-1,4	93,7
Operating costs	28,7	7,1	0,0	17,5	1,7	95,1	-3,0	147,1
Profit/loss before losses	162,6	59,1	-15,1	38,6	0,8	0,6	2,9	249,6
Losses on loans, unused credit and guarantees	2,0	-2,0	0,0	3,2	0,0	0,0	0,0	3,2
Profit/loss before tax costs	160,6	61,1	-15,1	35,4	0,8	0,6	2,9	246,4
Tax costs	0,0	0,0	0,0	8,9	0,2	30,5	0,7	40,3
Profit/loss after tax	160,6	61,1	-15,1	26,5	0,6	-29,9	2,2	206,0

30.06.2020	Retail market	Corporate market	Finance	AS Financiering	Sparebanken Øst Eiendom AS	Unallocated	Eliminations	Group
Net interest and commission income	162,5	64,6	-16,5	65,1	-0,1	24,5	1,9	301,9
Other operating income	27,2	3,9	-16,7	-9,5	22,5	167,1	-1,9	192,5
Operating costs	23,9	9,2	0,0	15,5	2,1	94,2	-2,8	142,0
Profit/loss before losses	165,8	59,3	-33,2	40,0	20,3	97,4	2,8	352,3
Losses on loans, unused credit and guarantees	0,2	3,4	0,0	5,8	0,0	0,0	0,0	9,4
Profit/loss before tax costs	165,6	55,8	-33,2	34,3	20,3	97,4	2,8	342,9
Tax costs	0,0	0,0	0,0	8,6	0,1	28,3	0,7	37,7
Profit/loss after tax	165,6	55,8	-33,2	25,7	20,2	69,1	2,1	305,2

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

30.06.2021	Retail market	Corporate market	Finance	AS Financiering	Sparebanken Øst Eiendom AS	Unallocated	Eliminations	Group
Loans to and receivables from customers	33.018,3	4.622,3	4,2	2.352,1	0,0	454,0	-25,3	40.425,6
Other assets	4,0	0,0	7.940,4	48,0	103,9	3.806,8	-3.411,6	8.491,5
Total assets	33.022,3	4.622,3	7.944,6	2.400,1	103,9	4.260,8	-3.436,9	48.917,1
Deposits from and liabilities to customers	11.668,3	4.093,6	1.438,8	0,0	0,0	172,7	-55,0	17.318,3
Other liabilities/offsetting	21.354,0	528,7	6.505,9	1.949,8	31,5	-306,5	-3.027,4	27.036,1
Equity	0,0	0,0	0,0	450,3	72,4	4.394,6	-354,6	4.562,7
Total liabilities and equity	33.022,3	4.622,3	7.944,6	2.400,1	103,9	4.260,8	-3.436,9	48.917,1

30.06.2020	Retail market	Corporate market	Finance	AS Financiering	Sparebanken Øst Eiendom AS	Unallocated	Eliminations	Group
Loans to and receivables from customers	24.561,3	4.849,6	11,2	2.136,1	0,0	479,7	-24,5	32.013,4
Other assets	5,5	0,0	10.520,6	48,3	141,1	3.791,0	-2.819,8	11.686,7
Total assets	24.566,9	4.849,6	10.531,8	2.184,4	141,1	4.270,7	-2.844,4	43.700,1
Deposits from and liabilities to customers	9.686,1	3.421,5	1.651,0	0,0	0,0	185,6	-92,8	14.851,5
Other liabilities/offsetting	14.880,8	1.428,1	8.880,7	1.789,8	34,5	-165,3	-2.437,3	24.411,3
Equity	0,0	0,0	0,0	394,6	106,6	4.250,4	-314,2	4.437,4
Total liabilities and equity	24.566,9	4.849,6	10.531,8	2.184,4	141,1	4.270,7	-2.844,4	43.700,1

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. Operational risk is calculated using the basic indicator approach. The capital charge for credit value adjustment (CVA) is calculated using the standardised approach. Commitment amounts for derivatives are calculated using the market value approach.

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.

	30.06.2021	30.06.2020	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)	-8,3	-11,3	-8,4
Dividends*	-40,9	-134,3	-119,2
Goodwill included in the valuation of significant investments	-269,6	-315,7	-223,1
Intangible assets	-33,4	-32,2	-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	3.628,8	3.264,8	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	3.978,8	3.614,8	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	-56,6	-56,6
Total tier 2 capital	400,0	343,4	343,4
Net primary capital	4.378,8	3.958,2	4.369,6

Note 3 - Capital adequacy (contd.)

	30.06.2021	30.06.2020	31.12.2020
Governments and central banks	0,0	0,0	0,0
Local and regional authorities	42,5	258,4	86,3
Publicly owned companies	0,0	0,0	0,0
Multilateral development banks	0,0	0,0	0,0
Institutions	53,1	93,5	46,0
Companies	289,5	491,6	435,4
Mass market accounts	2.832,2	1.679,0	1.696,0
Accounts secured against property	14.595,4	12.978,4	14.233,5
Accounts due	189,5	180,2	187,4
High-risk commitments	614,1	426,5	654,5
Covered bonds	513,0	633,2	476,5
Shares in securities fund	0,0	0,0	0,0
Equity positions	780,1	688,3	921,6
Other exposures	199,0	220,6	241,4
Securitisation	0,0	0,0	0,0
Calculation basis for credit and counterparty risk	20.108,4	17.649,7	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)	53,3	63,6	48,0
Deductions from calculation basis	0,0	0,0	0,0
Total calculation basis	21.606,6	19.076,4	20.471,4
CET1 capital ratio*	16,79 %	17,11 %	17,96 %
Tier 1 capital ratio*	18,41 %	18,95 %	19,67 %
Capital adequacy*	20,27 %	20,75 %	21,34 %
Buffers			
Capital conservation buffer	540,2	476,9	511,8
Countercyclical buffer	216,1	190,8	204,7
Systemic risk buffer	648,2	572,3	614,1
Buffer for systemically important banks	0,0	0,0	0,0
Total buffer requirements	1.404,4	1.240,0	1.330,6
Available buffer capital	2.650,3	2.406,3	2.731,9
Leverage ratio	8,00 %	8,23 %	9,03 %

* As part of the appropriation of profits for 2020, the Board of Trustees resolved on 25 March 2021 to grant the Board of Directors special authorisation to decide to pay 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 no earlier than 1 October 2021 and no later than the annual meeting of the Board of Trustees in 2022, if the capital situation and the guidelines from the authorities allow this. The amounts in accordance with the authorisation have been deducted when calculating the Group's capital adequacy at 30.06.2021.

Note 4 - Losses on loans, unused credit and guarantees

Loss costs

	Q2 2021	Q2 2020	1.01-30.06.2021	1.01-30.06.2020	31.12.2020
Change in model-based provisions, Stage 1	1,3	-0,4	1,3	2,8	3,6
Change in model-based provisions, Stage 2	-2,0	0,5	-1,9	2,0	3,3
Change in model-based provisions, Stage 3	0,8	-0,2	0,9	0,1	-0,3
Increase in existing individual loss provisions	2,8	2,8	5,7	4,6	6,1
New individual loss provisions	0,9	1,7	4,3	6,0	10,1
Established losses covered by previous individual loss provisions	1,0	0,9	2,0	2,7	6,0
Reversals of previous individual loan loss provisions	-3,5	-2,1	-7,1	-6,7	-10,3
Established losses not covered by previous individual loan loss provisions	0,3	0,6	0,2	0,5	1,0
Recovery of previously identified losses	-1,1	-1,9	-2,3	-2,6	-4,6
Amortisation costs for the period	0,0	-0,1	0,0	0,0	0,0
Losses on loans, unused credit and guarantees	0,6	1,8	3,2	9,4	15,1
- of which losses on lending to retail customers of the parent bank and m	0,6	-0,8	1,8	0,2	-0,1
- of which losses on lending to business customers	-0,6	0,6	-1,8	3,2	3,7
- of which losses on lending AS Financiering	0,6	2,1	3,2	5,8	11,1
- of which losses on unused credit and guarantees	0,0	-0,1	0,0	0,3	0,4

Changes in loss provisions

Group - 30.06.2021	Loss given default			Expected loss	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	2,0	-1,6	-0,4	0,0	
Transferred to Stage 2	-0,4	1,0	-0,5	0,0	
Transferred to Stage 3	-0,2	-1,2	1,4	0,0	
Net change	-3,2	0,2	4,9	1,9	
New losses	7,8	0,8	0,1	8,7	
Deducted losses	-4,7	-1,2	-1,7	-7,5	
Change in risk model/parameters	0,1	0,1	0,0	0,2	
Closing balance at 30.06.2021	24,8	10,3	93,4	128,5	
- of which loss provisions on lending to retail customers of the parent bank and mortgage	8,2	2,3	3,9	14,4	
- of which loss provisions on lending to business customers	6,9	3,4	0,5	10,9	
- of which loss provisions on lending AS Financiering	8,8	4,5	88,7	102,1	
- of which loss provisions on unused credit and guarantees	0,9	0,1	0,3	1,2	
Model-calculated loss provisions	24,8	10,3	1,2	36,3	
Individual loss provisions	0,0	0,0	92,2	92,2	

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

Group - 30.06.20	Loss 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	2,4	-1,6	-0,8		0,0
Transferred to Stage 2	-0,7	2,1	-1,4		0,0
Transferred to Stage 3	-0,1	-0,4	0,5		0,0
Net change	-2,3	1,2	7,3		6,1
New losses	5,4	0,4	0,2		6,0
Deducted losses	-4,5	-0,9	-2,0		-7,5
Change in risk model/parameters	2,6	1,3	0,1		4,0
Closing balance at 30.06.20	22,6	11,0	87,9		121,5
- of which loss provisions on lending to retail customers of the parent bank and mortgage	6,8	2,1	4,1		12,9
- of which loss provisions on lending to business customers	8,9	2,7	0,4		12,0
- of which loss provisions on lending AS Financiering	6,2	6,1	83,2		95,4
- of which loss provisions on unused credit and guarantees	0,7	0,2	0,3		1,1
Model-calculated loss provisions	22,6	11,0	0,7		34,2
Individual loss provisions	0,0	0,0	87,2		87,2

Group - 31.12.2020	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	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 - 30.06.2021	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	133,5	-130,9	-2,6	0,0
Transferred to Stage 2	-220,4	231,1	-10,7	0,0
Transferred to Stage 3	-30,7	-64,0	94,7	0,0
Net change	312,4	-32,5	-25,5	254,4
New loans	16.574,7	74,2	0,9	16.649,8
Deducted lending	-11.731,4	-117,3	-9,4	-11.858,1
Closing balance at 30.06.2021	39.285,2	721,8	247,8	40.254,9
- of which lending to retail customers of the parent bank and mortgage credit company	32.806,1	289,5	46,4	33.142,0
- of which lending to business customers	4.477,5	165,2	16,1	4.658,8
- of which lending AS Financiering	2.001,7	267,1	185,3	2.454,1
- of which loans with forbearance	0,0	149,0	23,2	172,3

Group - 30.06.2020	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	139,9	-134,0	-5,8	0,0
Transferred to Stage 2	-355,5	364,1	-8,6	0,0
Transferred to Stage 3	-13,9	-31,7	45,6	0,0
Net change	285,3	-70,5	-17,5	197,3
New loans	10.976,1	44,8	1,2	11.022,1
Deducted lending	-13.228,8	-127,3	-26,9	-13.383,1
Closing balance at 30.06.20	30.722,1	826,1	203,2	31.751,4
- of which lending to retail customers of the parent bank and mortgage credit company	24.319,3	182,6	31,0	24.532,9
- of which lending to business customers	4.702,1	276,1	8,8	4.987,0
- of which lending AS Financiering	1.700,8	367,5	163,3	2.231,5
- of which loans with forbearance	0	59,3	0,8	60,1

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 expected credit loss

The economic outlook at the end of Q2 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 30.06.2021 was at a low and stable level and constitutes approximately 0.2% of lending in the retail market portfolio, 0.4% 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 expected credit loss was unchanged at the end of Q2 2021 compared with what was used in the preparation of the annual financial statements for 2020. The factors for the different scenarios, which express the amount of expected credit losses in the optimistic and pessimistic scenarios compared to the expected loss in the expected scenario, are unchanged for all segments compared to 31.12.2020.

The table below shows the expected credit loss in the different scenarios and the probability weightings. Individually assessed loan loss provisions remain unchanged in the different scenarios.

30.06.2021 – Group	Probability weight	Stage 1	Stage 2	Stage 3	Total
Optimistic scenario	0 %	14,4	6,0	92,9	113,3
Expected scenario	70 %	18,0	7,5	93,1	118,6
Pessimistic scenario	30 %	40,6	17,0	94,2	151,8
Loan loss provisions (probability-weighted)	100 %	24,8	10,3	93,4	128,5

Note 5 - Non-performing commitments, customers

	30.06.2021	30.06.2020	31.12.2020
Payment defaults in excess of 90 days			
Business	7,0	9,3	9,7
+ Retail	10,0	19,9	14,1
+ AS Financiering	162,0	163,3	169,5
= Gross payment defaults	178,9	192,6	193,3
- Loss provisions	92,5	87,6	89,6
= Net payment defaults	86,4	105,0	103,7
Other non-performing commitments			
Business	13,5	0,5	0,5
+ Retail	36,4	11,1	7,6
+ AS Financiering	23,4	0,0	0,0
= Gross other non-performing commitments	73,3	11,6	8,1
- Loss provisions	0,9	0,4	0,0
= Net other non-performing commitments	72,4	11,2	8,1
Non-performing commitments			
Business	20,5	9,8	10,2
+ Retail	46,4	31,0	21,7
+ AS Financiering	185,3	163,3	169,5
= Gross non-performing commitments	252,2	204,1	201,4
- Loss provisions	93,4	87,9	89,6
= Net non-performing commitments	158,8	116,2	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 resulted in commitments being reported as non-performing for a waiting period of at least three months after the default position ceased. The amount of commitments in the waiting period is included in net other non-performing commitments in the table above and amounts to net NOK 41.6 million as at 30.06.2021. Such continuing commitments account for most of the increase in net non-performing commitments as at 30.06.2021 compared to both 31.12.2020 and 30.06.2020.

Note 6 - Deposits from customers by sector and industry

	30.06.2021	30.06.2020	31.12.2020
Salaried employees	10.620,6	8.610,5	8.440,4
Public administration	581,6	544,2	621,3
Agriculture, forestry and fishing, etc.	87,9	106,6	106,4
Industry and mining, power and water supply	907,8	884,8	862,2
Building and construction	561,0	549,5	568,6
Wholesale and retail trade, hotels and restaurants	502,6	477,4	449,8
Transport and communications	196,4	470,1	476,5
Business financial services	1.782,3	1.341,6	1.362,9
Other service industries	867,8	865,5	889,5
Real estate sales and operation	1.092,0	886,4	944,6
Abroad	118,2	115,0	123,0
Total customer deposits	17.318,3	14.851,5	14.845,1

Note 7 - Loans to customers by sector and industry

	30.06.2021	30.06.2020	31.12.2020
Salaried employees	35.811,2	27.051,1	30.497,6
Public administration	7,2	0,0	0,0
Agriculture, forestry and fishing, etc.	99,6	103,8	104,7
Industry and mining, power and water supply	60,8	86,5	65,2
Building and construction	581,1	408,8	436,3
Wholesale and retail trade, hotels and restaurants	133,1	133,4	119,1
Transport and communications	33,5	44,7	40,2
Business financial services	131,1	180,5	214,8
Other service industries	700,3	877,0	808,1
Real estate sales and operation	2.963,6	3.209,1	3.245,5
Abroad	31,5	38,7	36,1
Gross lending to customers	40.552,9	32.133,7	35.567,9
Loss provisions on loans	-127,3	-120,3	-124,1
Net lending to customers	40.425,6	32.013,4	35.443,8

Note 8 - Geographical distribution of lending, customers

	30.06.2021	30.06.2020	31.12.2020
Drammen	7.640,5	7.783,5	7.598,9
Øvre Eiker	2.079,3	2.108,8	2.075,5
Asker/Bærum	6.107,7	4.603,3	5.275,9
Rest of Viken	7.903,8	6.544,9	6.927,2
Oslo	9.280,5	6.034,3	7.617,5
Vestfold/Telemark	3.385,1	2.876,9	3.043,1
Rest of Norway	4.124,6	2.143,3	2.993,7
Abroad	31,5	38,7	36,1
Gross lending to customers	40.552,9	32.133,7	35.567,9
Loss provisions on loans	-127,3	-120,3	-124,1
Net lending to customers	40.425,6	32.013,4	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 are included as an integral part of the credit process and follow-up of the business and retail customer portfolios. The risk classification is based on a weighted calculation of various parameters related to the capacity to service debt, debt-servicing history, and information obtained from an external credit information provider.

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

30.06.2021	Gross lending**	Guarantee liabilities	Overdraft facilities	Total commitments		Commitments Stage 1	Loss provisions Stage 1		Loss provisions Stage 2		Loss provisions Stage 3*	
					%		Commitments Stage 1	Commitments Stage 2	Commitments Stage 2	Commitments Stage 3	Commitments Stage 3	Commitments Stage 3
A	17.497,6	11,1	2.086,1	19.594,8	44,7	19.562,3	1,1	32,5	0,0	0,0	0,0	0,0
B	9.377,7	11,6	668,9	10.058,2	23,0	10.028,3	2,3	29,9	0,0	0,0	0,0	0,0
C	5.588,8	19,3	226,5	5.834,6	13,3	5.757,1	3,0	77,4	0,1	0,0	0,0	0,0
D	4.102,7	35,5	162,0	4.300,3	9,8	4.266,0	5,1	34,3	0,1	0,0	0,0	0,0
E	1.041,1	6,7	19,4	1.067,3	2,4	906,7	2,2	160,6	1,1	0,0	0,0	0,0
F	1.286,1	1,5	3,5	1.291,1	2,9	1.197,2	2,5	93,9	0,9	0,0	0,0	0,0
G	936,5	0,3	0,8	937,5	2,1	826,2	4,7	111,3	1,7	0,0	0,0	0,0
H	431,4	0,0	0,2	431,5	1,0	260,3	3,1	171,3	3,9	0,0	0,0	0,0
I	44,6	0,0	1,4	46,0	0,1	22,6	0,8	23,4	2,4	0,0	0,0	0,0
J	78,9	0,5	3,4	82,8	0,2	0,0	0,0	0,0	0,0	82,8	0,8	0,8
K	167,4	0,5	0,0	167,8	0,4	0,0	0,0	0,0	0,0	167,8	92,6	92,6
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	40.552,9	87,0	3.172,2	43.812,1	100,0	42.826,8	24,8	734,7	10,3	250,6	93,4	93,4

* Stage 3 provisions include individually assessed loan loss provisions of NOK 92.2 million.

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

30.06.2020	Gross lending**	Guarantee liabilities	Overdraft facilities	Total commitments		Commitments Stage 1	Loss provisions Stage 1		Loss provisions Stage 2		Loss provisions Stage 3*	
					%		Commitments Stage 1	Commitments Stage 2	Commitments Stage 2	Commitments Stage 3	Commitments Stage 3	Commitments Stage 3
A	13.384,2	7,9	1.147,8	14.539,9	42,8	14.519,6	0,8	20,3	0,0	0,0	0,0	0,0
B	5.250,1	26,0	225,5	5.501,5	16,2	5.495,5	1,3	6,0	0,0	0,0	0,0	0,0
C	4.997,1	17,9	157,5	5.172,4	15,2	5.154,7	2,8	17,8	0,0	0,0	0,0	0,0
D	4.243,4	24,1	159,9	4.427,5	13,0	4.408,3	5,2	19,2	0,0	0,0	0,0	0,0
E	1.358,9	4,9	16,8	1.380,6	4,1	1.138,0	2,8	242,6	1,6	0,0	0,0	0,0
F	1.254,4	1,9	10,9	1.267,3	3,7	1.144,0	3,0	123,3	0,8	0,0	0,0	0,0
G	1.115,4	0,0	2,2	1.117,6	3,3	904,5	3,7	213,1	1,9	0,0	0,0	0,0
H	290,6	0,0	0,4	291,1	0,9	111,7	1,9	179,3	5,8	0,0	0,0	0,0
I	23,2	0,0	0,1	23,3	0,1	13,3	0,5	10,0	0,9	0,0	0,0	0,0
J	40,9	0,5	0,0	41,4	0,1	0,0	0,0	0,0	0,0	41,4	0,0	0,0
K	174,9	0,5	0,0	175,3	0,5	0,0	0,0	0,0	0,0	175,3	88,3	88,3
Unallocated	0,7	0,0	0,0	0,7	0,0	0,5	0,1	0,0	0,0	0,1	0,0	0,0
Total	32.133,7	83,8	1.721,1	33.938,7	100,0	32.890,1	22,2	831,7	11,0	216,8	88,3	88,3

* Stage 3 provisions include individually assessed loan loss provisions of NOK 87.2 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 Stage 1	Commitments Stage 2	Loss provisions Stage 2	Commitments Stage 3	Loss provisions 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
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
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
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
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
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
G	917,6	0,4	2,9	920,9	2,4	788,2	4,6	132,7	2,0	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
I	27,3	0,0	0,1	27,4	0,1	6,5	0,3	20,9	2,2	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
K	174,8	0,5	0,0	175,3	0,5	0,0	0,0	0,0	0,0	175,3	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
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

* 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

30.06.2021	Fair value through profit or loss			Total
	Mandatory	Designated	Measured at amortised cost*	
Cash and receivables from central banks	0,0	0,0	290,8	290,8
Net loans to and receivables from financial institutions	0,0	0,0	7,6	7,6
Net loans to and receivables from customers	0,0	298,1	40.127,5	40.425,6
Certificates and bonds	6.868,8	0,0	0,0	6.868,8
Shares and units	808,4	0,0	0,0	808,4
Financial derivatives**	273,2	0,0	0,0	273,2
Total financial assets	7.950,4	298,1	40.425,9	48.674,4
Liabilities to financial institutions	0,0	0,0	300,1	300,1
Deposits from and liabilities to customers	0,0	0,0	17.318,3	17.318,3
Financial derivatives**	13,4	0,0	0,0	13,4
Securities issued	0,0	0,0	25.775,7	25.775,7
Lease liabilities	0,0	0,0	42,7	42,7
Subordinated loan capital	0,0	0,0	400,1	400,1
Total financial liabilities	13,4	0,0	43.836,9	43.850,4

* Includes hedged debt

** Includes derivatives for which hedge accounting is used

30.06.2020	Fair value through profit or loss			Total
	Mandatory	Designated	Measured at amortised cost*	
Cash and receivables from central banks	0,0	0,0	536,3	536,3
Net loans to and receivables from financial institutions	0,0	0,0	8,2	8,2
Net loans to and receivables from customers	0,0	382,3	31.631,1	32.013,4
Certificates and bonds	9.562,9	0,0	0,0	9.562,9
Shares and units	810,8	0,0	0,0	810,8
Financial derivatives**	530,8	0,0	0,0	530,8
Total financial assets	10.904,5	382,3	32.175,5	43.462,4
Liabilities to financial institutions	0,0	0,0	601,0	601,0
Deposits from and liabilities to customers	0,0	0,0	14.851,5	14.851,5
Financial derivatives**	29,9	0,0	0,0	29,9
Securities issued	0,0	0,0	22.698,7	22.698,7
Lease liabilities	0,0	0,0	48,6	48,6
Subordinated loan capital	0,0	0,0	400,0	400,0
Total financial liabilities	29,9	0,0	38.599,8	38.629,7

* 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.

30.06.2021	Level 1	Level 2	Level 3	Total
Fair value				
Loans to and receivables from customers	0,0	0,0	298,1	298,1
Certificates and bonds	0,0	6.868,8	0,0	6.868,8
Shares and units	38,3	30,8	739,3	808,4
Financial derivatives	0,0	273,2	0,0	273,2
Total assets at fair value	38,3	7.172,8	1.037,4	8.248,5
Financial derivatives	0,0	13,4	0,0	13,4
Total liabilities at fair value	0,0	13,4	0,0	13,4

Movements in level 3 for items valued at fair value	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		24,6	0,1	24,7
Disposals		81,2	8,7	89,9
Changes in value		-4,4	1,1	-3,3
Transferred from levels 1 and 2		0,0	0,0	0,0
Balance sheet at end of period		298,1	739,3	1.037,4

30.06.2020	Level 1	Level 2	Level 3	Total
Fair value				
Loans to and receivables from customers	0,0	0,0	382,3	382,3
Certificates and bonds	0,0	9.562,9	0,0	9.562,9
Shares and units	35,4	0,0	775,5	810,8
Financial derivatives	0,0	530,8	0,0	530,8
Total assets at fair value	35,4	10.093,7	1.157,8	11.286,9
Financial derivatives	0,0	29,9	0,0	29,9
Total liabilities at fair value	0,0	29,9	0,0	29,9

Movements in level 3 for items valued at fair value	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		20,6	19,6	40,2
Disposals		70,6	0,0	70,6
Changes in value		10,2	157,6	167,7
Transferred from levels 1 and 2		0,0	0,0	0,0
Balance sheet at end of period		382,3	775,5	1.157,7

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

Movements in level 3 for items valued at fair value	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	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	30.06.2021	30.06.2020	31.12.2020
Bonds, nominal value	25.425,0	22.140,0	22.717,0
Value adjustments (incl. excess/deficit value)	241,6	426,3	314,0
Accrued interest	109,1	132,5	79,9
Total securities issued	25.775,7	22.698,7	23.111,0

Change for securities issued	30.06.2021	Issued	Due/redeemed	Change in own 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	17.150,0	4.500,0	2.300,0	222,0	0,0	15.172,0
Value adjustments (including premium/discount)	241,6	0,0	0,0	0,0	-72,5	314,1
Accrued interest	109,1	0,0	0,0	0,0	29,2	79,9
Total securities issued	25.775,7	5.300,0	2.370,0	222,0	-43,3	23.111,0

Change in subordinated loan capital	30.06.2021	Issued	Due/redeemed	Change in own holdings	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	0,4	0,0	0,0	0,0	0,0	0,4
Total subordinated loan capital	400,1	0,0	0,0	0,0	0,0	400,1

Note 13 - Financial derivatives

30.06.2021	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	25,0		0,0	0,7	
Interest rate swaps (IRS)	710,0		1,5	10,8	
Total at fair value through profit or loss			1,5	11,5	
Used for hedge accounting					
Interest rate swaps (IRS)	6.125,0		271,7	1,9	0,0
Securities issued		6.396,0			178,0
Total used for hedge accounting		6.396,0	271,7	1,9	178,0
Total		6.396,1	273,2	13,4	178,0

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 the hedging instrument includes value adjustments and accrued interest.

30.06.2020	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	2,8	
Interest rate swaps (IRS)	930,0		0,0	27,1	
Total at fair value through profit or loss			0,0	29,9	
Used for hedge accounting					
Interest rate swaps (IRS)	7.265,0		530,8	0,0	0,0
Securities issued		7.814,4			419,8
Total used for hedge accounting		7.814,4	530,8	0,0	419,8
Total		7.814,4	530,8	29,9	419,8

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 the hedging instrument includes value adjustments 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 the hedging instrument includes value adjustments and accrued interest.

Note 14 - Financial derivatives - offsetting

The group's netting rights adhere to the general rules in Norwegian law. Standardised and mainly bilateral ISDA agreements have been entered into with financial institutions, which give the parties netting rights in the event of any default. Additional agreements have also been entered into concerning the provision of security (CSA). In accordance with the offsetting disclosure requirements, there has been no offsetting of capitalised amounts.

Exposure as at 30.06.2021	Gross amount	Offset	Recognised amount	Amount subject to net settlement	Exchanged collateral security	Amount in accordance with any net settlement
Financial derivatives, assets	273,2	0,0	273,2	-9,5	-186,8	76,9
Financial derivatives, liabilities	13,4	0,0	13,4	-9,5	-7,6	-3,7
Exposure as at 30.06.2020						
Financial derivatives, assets	445,5	0,0	445,5	-16,3	-359,2	70,0
Financial derivatives, liabilities	21,8	0,0	21,8	-16,3	-6,0	-0,5
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

	Q2 2021	Q2 2020	01.01-30.06.2021	01.01-30.06.2020	Full year 2020
Interest income from loans to and receivables from financial institutions	0,0	0,2	0,0	1,7	1,7
Interest income from loans to customers	221,4	250,4	438,7	558,5	1.002,3
Interest income from certificates and bonds	13,9	36,7	27,9	77,6	117,4
Total interest income	235,3	287,4	466,6	637,8	1.121,4
Interest costs on liabilities to financial institutions	1,5	2,7	3,3	4,8	8,5
Interest on deposits from customers	21,0	29,9	39,9	69,0	106,5
Interest on securities issued	56,5	111,1	110,2	248,5	349,3
Interest on subordinated loan capital	1,8	2,4	3,6	5,7	9,2
Norwegian Banks Guarantee Fund levy	2,8	4,0	6,7	7,9	15,9
Total interest costs	83,5	150,1	163,6	335,9	489,3
Net interest income	151,8	137,3	303,0	301,9	632,1

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

	Q2 2021	Q2 2020	01.01-30.06.2021	01.01-30.06.2020	Full year 2020
Net changes in value and gains/losses on certificates and bonds	-6,7	21,1	-10,0	1,6	-10,0
Net value change and gains/losses on shares	7,4	158,2	6,0	161,6	161,5
Net changes in value and gains/losses on fixed-interest loans	-1,2	0,8	-4,4	10,2	6,8
Net changes in value and gains/losses on other financial instruments	2,5	-1,5	10,5	-28,5	-22,0
Net value change and gains/losses on financial instruments	2,1	178,5	2,1	144,8	136,3

Note 17 - Operating costs

	Q2 2021	Q2 2020	01.01-30.06.2021	01.01-30.06.2020	Full year 2020
Payroll costs incl. AGA and Financial Activity Tax	30,5	25,7	71,5	66,0	146,1
Pension costs	4,1	4,3	8,0	8,2	16,5
Other personnel-related costs	0,8	0,6	2,8	3,1	4,7
IT costs	10,5	9,8	21,1	20,6	42,9
Other administrative costs	4,9	3,4	8,6	7,5	14,5
Depreciation/write-downs/changes in value for non-financial assets	7,0	6,6	13,9	13,0	27,3
Operating costs, properties and premises	1,9	2,0	4,1	4,9	8,7
Other operating costs	8,4	9,2	17,0	18,7	35,2
Total operating costs	68,2	61,6	147,1	142,0	296,0

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

Guarantee liability	30.06.2021	30.06.2020	31.12.2020
Payment guarantees	39,1	14,8	35,4
Contract guarantees	26,8	38,9	33,3
Loan guarantees	12,6	20,0	12,6
Other guarantee liabilities	8,5	10,0	9,7
Total guarantees to customers	87,0	83,8	91,0

Pledges of security	30.06.2021	30.06.2020	31.12.2020
Bonds, nominal value, pledged as security for borrowing facilities at Norges Bank	1.340,0	1.510,0	1.520,0
Total pledges of security	1.340,0	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 for the purpose of hedging 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 1.000.0 million as at 30.06.2021, NOK 595.0 million as at 30.06.2020 and NOK 778.0 million as at 31.12.2020 and are not included in the table below.

Preferential rights	30.06.2021	30.06.2020	31.12.2020
Preferential rights in accordance with Section 11-15 of the Norwegian Financial Institutions Act (nominal value)	18.150,0	13.950,0	15.950,0
Total preferential rights	18.150,0	13.950,0	15.950,0

Note 19 - Equity certificates

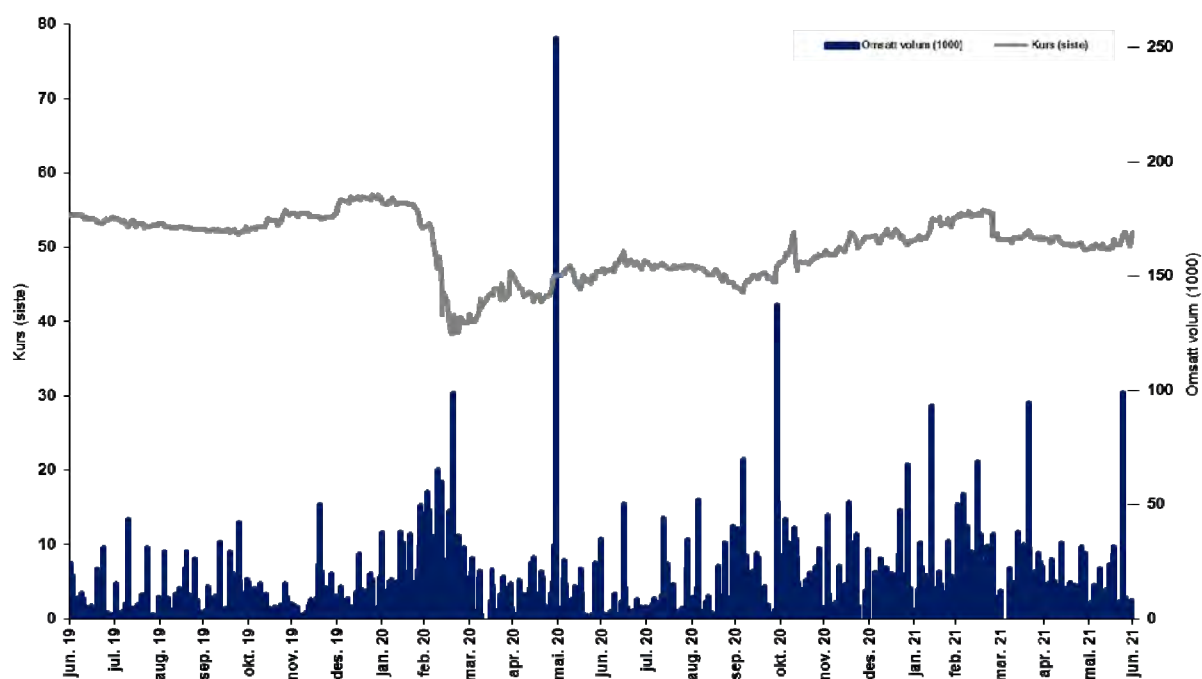
Ownership fraction, parent bank

	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	1013,3
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

* As part of the appropriation of profits for 2020, the Board of Trustees resolved on 25 March 2021 to grant the Board of Directors special authorisation to decide to pay 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 no earlier than 1 October 2021 and no later than the annual meeting of the Board of Trustees in 2022, if the capital situation and the guidelines from the authorities allow this. The amounts in accordance with the special authorisation have been deducted when calculating the ownership fraction at 01.01.2021.

Note 19 - Equity certificates (cont.)

Sparebanken Øst (SPOG)



The 20 largest equity certificate holders as at 30.06.2021

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	162.107	0,78 %
3 VPF Eika Egenkapitalbevis	1.001.285	4,83 %	13 Johansen, Kjell Petter	152.000	0,73 %
4 Directmarketing Invest AS	999.500	4,82 %	14 Morgan Stanley & Co. Internal	144.776	0,70 %
5 Hansen, Asbjørn Rudolf	445.502	2,15 %	15 Niwjo Invest AS	132.172	0,64 %
6 Foretakskonsulenter AS	409.841	1,98 %	16 Seriana AS	130.931	0,63 %
7 Jag Holding AS	303.897	1,47 %	17 Julius Johannessen & Sønner A/S	121.200	0,58 %
8 Wenaasgruppen AS	273.000	1,32 %	18 Teigen, Anne Kristine	121.025	0,58 %
9 BKK Norwegian Public Service P	250.000	1,21 %	19 Nordnet Livsforsikring AS	112.088	0,54 %
10 AS Andersen Eiendomsselskap	238.900	1,15 %	20 Juel, Iver Albert	110.490	0,53 %

Income Statement - Parent Bank

(Amounts in NOK millions)	Q2 2021	Q2 2020	01.01-30.06.2021	01.01-30.06.2020	Full year 2020
Interest income	120,4	153,6	239,6	357,7	605,1
Interest costs	49,2	81,1	98,0	188,5	287,5
Net interest income	71,2	72,5	141,6	169,1	317,5
Commission income and income from banking services	24,7	23,5	48,3	49,7	99,4
Commission costs and costs for banking services	4,2	4,8	8,4	10,2	20,1
Dividend	69,0	0,0	71,2	5,3	174,6
Net changes in value and gains/losses on financial instruments	2,5	184,1	1,7	146,2	143,9
Other operating income	2,5	1,6	3,9	3,5	7,2
Net other operating income	94,6	204,3	116,7	194,5	405,0
Payroll, etc.	32,2	27,0	74,5	67,6	146,2
Administration costs	12,7	10,5	24,1	22,6	45,3
Depreciation/write-downs/changes in value for non-financial assets	6,8	6,6	13,5	13,1	26,7
Other operating costs	7,9	9,3	15,5	19,0	33,7
Total operating costs	59,5	53,3	127,7	122,2	252,0
Profit/loss before losses	106,3	223,5	130,6	241,4	470,5
Losses on loans, unused credit and guarantees	-0,1	-0,2	-0,5	2,9	3,4
Profit/loss before tax costs	106,5	223,7	131,2	238,5	467,1
Tax costs	8,6	16,5	13,8	17,9	32,2
Profit/loss after tax	97,8	207,2	117,4	220,6	434,9
Hybrid capital owners' share of the result	3,5	4,2	7,0	8,9	15,9
Equity certificate holders' and primary capital share of profits	94,3	203,0	110,4	211,6	419,0
Profit/loss after tax	97,8	207,2	117,4	220,6	434,9
Earnings per equity certificate	1,35	3,07	1,58	3,20	6,34
Diluted earnings per equity certificate	1,35	3,07	1,58	3,20	6,34

Other comprehensive income - parent bank

(Amounts in NOK millions)	Q2 2021	Q2 2020	01.01-30.06.2021	01.01-30.06.2020	Full year 2020
Profit/loss after tax	97,8	207,2	117,4	220,6	434,9
Items that will not be reclassified to the income statement					
Actuarial gains and losses on defined-benefit plans	0,0	0,0	0,0	0,0	-2,5
Tax related to items that cannot be reclassified	0,0	0,0	0,0	0,0	0,6
Items that may later be reclassified to the income statement					
Lending at fair value	0,2	-0,6	0,6	-0,1	0,2
Tax related to items that can be reclassified	0,0	0,1	-0,1	0,0	0,0
Comprehensive income	98,0	206,7	117,8	220,5	433,1

Balance Sheet - Parent Bank

(Amounts in NOK millions)	30.06.2021	30.06.2020	31.12.2020
Assets			
Cash and receivables from central banks	290,8	536,3	409,4
Loans to and receivables from financial institutions	2.725,2	2.852,8	2.232,8
Loans to and receivables from customers	18.612,8	14.048,5	16.436,7
Certificates and bonds	7.603,3	9.944,8	7.217,0
Shares and units	808,4	810,8	811,0
Financial derivatives	133,2	297,0	200,9
Ownership interests in Group companies	1.560,0	1.321,0	1.560,0
Deferred tax asset	7,6	6,8	7,7
Tangible fixed assets	92,8	88,8	88,8
Lease rights	73,8	82,4	77,1
Other assets	8,2	7,7	8,5
Prepaid non-accrued costs and income earned, but not received	25,5	16,4	14,6
Total assets	31.941,5	30.013,3	29.064,5
Liabilities and equity			
Liabilities to financial institutions	1.231,7	1.043,6	1.470,7
Deposits from and liabilities to customers	17.392,2	14.960,3	14.921,2
Financial derivatives	13,4	29,9	17,9
Securities issued	8.414,7	9.096,5	7.755,8
Other liabilities	297,1	381,5	328,5
Accruals and deferred income	26,6	26,8	34,0
Other provisions and liabilities	61,2	65,8	61,3
Lease liabilities	75,4	83,5	78,4
Subordinated loan capital	400,1	400,0	400,1
Total liabilities	27.912,4	26.087,8	25.068,0
Paid-up equity	595,1	595,1	595,1
Hybrid capital	351,7	352,0	351,7
Retained earnings	3.082,3	2.978,4	3.049,7
Total equity	4.029,1	3.925,5	3.996,5
Total liabilities and equity	31.941,5	30.013,3	29.064,5

Changes in equity - parent bank

(Amounts in NOK millions)	Paid-up equity			Hybrid capital		Retained earnings				
	Total equity	Equity certificates	Premium reserve	Additional Tier 1 capital	Equalisation fund	Primary capital	Donations fund	Fund for unrealised gains	Changes in value through CI as reclass.	Retained earnings
30.06.2021										
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	117,4	0,0	0,0	7,0	0,0	0,0	0,0	0,0	0,0	110,4
Change in lending at fair value through comprehensive	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 plan:	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Comprehensive income	117,8	0,0	0,0	7,0	0,0	0,0	0,0	0,0	0,4	110,4
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	-7,0	0,0	0,0	-7,0	0,0	0,0	0,0	0,0	0,0	0,0
Equity at 30.06.2021	4.029,1	207,3	387,8	351,7	340,1	2.158,4	38,1	434,7	0,6	110,4

As part of the appropriation of profits for 2020, the Board of Trustees resolved on 25 March 2021 to grant the Board of Directors special authorisation to decide to pay 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 no earlier than 1 October 2021 and no later than the annual meeting of the Board of Trustees in 2022, if the capital situation and the guidelines from the authorities allow this. Until a 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	Premium reserve	Additional Tier 1 capital	Equalisation fund	Primary capital	Donations fund	Fund for unrealised gains	Changes in value through CI as reclass.	Retained earnings
30.06.2020										
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	220,6	0,0	0,0	8,9	0,0	0,0	0,0	0,0	0,0	211,6
Change in lending at fair value through comprehensive	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Actuarial gains and losses on defined-benefit plan:	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Comprehensive income	220,5	0,0	0,0	8,9	0,0	0,0	0,0	0,0	0,0	211,6
Interest paid on hybrid capital	-9,4	0,0	0,0	-9,4	0,0	0,0	0,0	0,0	0,0	0,0
Equity as at 30.06.2020	3.925,5	207,3	387,8	352,0	405,7	2.045,5	38,1	277,5	0,0	211,6

(Amounts in NOK millions)	Paid-up equity			Hybrid capital		Retained earnings				
	Total equity	Equity certificates	Premium reserve	Additional Tier 1 capital	Equalisation fund	Primary capital	Donations fund	Fund for unrealised gains	Changes in value through CI as reclass.	Retained earnings
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	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 plan:	-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

		30.06.2021	30.06.2020	31.12.2020
Operating activities				
Profit before tax		131,2	238,5	467,1
Adjusted for:				
Change in net interest income earned and accrued interest costs		27,2	44,8	7,1
Net payment/disbursement of loans to financial institutions		-498,3	-587,5	37,7
Net receipts/payments of loans to customers		-2.176,3	2.920,2	531,0
Change in certificates and bonds		-387,1	-2.743,9	-29,1
Changes in value of equities and units		-5,9	-161,6	-161,5
Change in other assets in connection with operations		-18,8	26,5	16,9
Net receipts/disbursement of borrowing from financial institutions		61,0	121,8	550,2
Net receipts/disbursement of deposits from customers		2.446,7	36,5	41,8
Change in other operating liabilities		-26,2	241,6	108,4
Non-cash items included in profit before tax costs		13,0	15,4	30,0
Net gain/loss from investing activities		-0,6	-0,2	-0,4
Net gain/loss from financing activities		0,0	0,6	1,3
Taxes paid for the period		-38,2	-61,1	-61,0
Net cash flow from operating activities	A	-472,3	91,5	1.539,5
Investing activities				
Payments on purchases of tangible fixed assets		-11,5	-6,4	-13,7
Proceeds from sale of fixed assets		0,8	0,5	0,8
Net proceeds/costs on the sale/purchase of financial investments		8,5	-19,6	-19,9
Net payment/disbursement concerning investments in subsidiaries		0,0	0,0	-240,0
Net cash flow from investing activities	B	-2,1	-25,5	-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		-72,6	0,0	-74,6
Interest paid on hybrid capital		-7,0	-9,4	-16,6
Net cash flow from financing activities	C	350,0	160,0	-1.162,4
Net change in cash and cash equivalents	A+B+C	-124,5	226,0	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		298,4	544,4	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		30.06.2021	30.06.2020	31.12.2020
Interest payments received		242,8	370,2	628,9
Interest payments made		73,9	156,0	303,5
Dividends received		71,2	5,3	174,6

STATEMENT PURSUANT TO SECTION 5-5 OF THE SECURITIES TRADING ACT

We hereby confirm that the annual financial statements for the period from 01.01.2021 - 30.06.2021 to the best of our knowledge have been prepared in accordance with applicable accounting standards and that the information gives a true and fair view of the group and parent company's assets, liabilities, financial position and profit or loss as a whole and that the information in the Board of Directors' Report gives a true and fair view of the development, profit or loss and financial position of the group and parent company, together with a description of the principal risks and uncertainties faced by the group.

Hokksund, 30.06.2021

Drammen, 15.07.2021

THE BOARD OF DIRECTORS OF SPAREBANKEN ØST

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

Key Figures, Group

	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	1. kvartal 2020
Profitability						
1. Return on equity*	13,49	6,19	6,82	7,23	24,34	7,00
2. Net interest income as a % of average total assets	1,28	1,36	1,50	1,53	1,26	1,54
3. Profit/loss after tax as a % of average total assets	1,19	0,58	0,66	0,70	2,18	0,65
4. Costs as a % of average total assets	0,57	0,71	0,75	0,66	0,57	0,75
5. Costs as a % of income (before losses on loans/guarantees)*	29,39	47,92	45,96	41,88	18,96	47,50
6. Costs as a % of income (excl. return on financial investments)*	42,38	48,57	46,69	40,75	42,05	40,66
Balance sheet figures						
7. Net lending to customers	40.425,6	38.441,0	35.443,8	31.366,3	32.013,4	33.735,1
8. Lending growth (quarter)	5,16	8,46	13,00	-2,02	-5,10	-1,43
9. Deposits	17.318,3	15.748,6	14.845,1	14.542,0	14.851,5	14.313,7
10. Deposit growth (quarter)	9,97	6,09	2,08	-2,08	3,76	-3,23
11. Average equity	4.101,1	4.001,6	3.997,3	3.987,3	3.835,0	3.686,9
12. Average total assets	47.659,8	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)*	0,01	0,03	0,05	0,02	0,02	0,09
14. Loss provisions as a % of gross lending to customers*	0,32	0,33	0,35	0,39	0,38	0,35
15. Net payment defaults exceeding 90 days as a % of net lending	0,21	0,26	0,29	0,35	0,33	0,40
16. Other net non-performing commitments (Stage 3) as a % of net lending	0,18	0,06	0,02	0,02	0,04	0,04
Financial strength						
17. CET1 capital ratio incl. 50% of retained earnings (%)	17,26	17,75	17,96	18,51	17,89	17,81
18. CET1 capital ratio (%)	16,79	17,61	17,96	17,53	17,11	17,64
19. Tier 1 capital ratio (%)	18,41	19,28	19,67	19,39	18,95	19,43
20. Capital adequacy ratio (%)	20,27	21,20	21,34	21,22	20,75	21,21
21. Risk-weighted volume (calculation basis)	21.606,6	20.879,4	20.471,4	18.818,0	19.076,4	19.579,4
22. Leverage ratio incl. 50% of retained earnings (%)	8,20	8,59	9,03	8,93	8,57	8,71
23. Leverage ratio (%)	8,00	8,53	9,03	8,50	8,23	8,64
Liquidity						
24. Deposit coverage ratio	42,84	40,97	41,88	46,36	46,39	42,43
25. LCR (%)	214,34	254,25	266,93	337,87	371,91	278,50
Branches and FTEs						
26. No. of branches	29	29	29	29	29	29
27. FTEs	183	187	184	188	187	192
Equity certificates						
28. Ownership fraction (parent bank) (%)	29,59	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	20.731.183
30. Book equity per equity certificate*	60,52	58,55	61,18	64,53	63,43	59,92
31. Earnings per equity certificate*	1,97	0,87	1,04	1,10	3,51	0,97
32. Dividend per equity certificate**	0,00	0,00	4,50	0,00	0,00	0,00
33. Turnover rate	22,27	24,90	24,98	11,83	19,23	26,54
34. Price	52,00	51,00	51,40	44,70	47,10	41,00

* Defined as alternate performance target

** The dividend per certificate is up to NOK 4.50 for 2020, where NOK 3.50 is payable based on the Board of Trustees decision on 25 March 2021 and the Board of Trustees has given the Board of Directors special authorisation to make a decision on paying a dividend of up to NOK 1.00 no earlier than 1 October 2021 and 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 percentage of income (before losses on loans/guarantees)*	Payroll, etc., administrative costs, depreciation/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 fiscal period and provides relevant information on the extent of the losses incurred by the group in relation to loan volume.
14. Loss provisions as a % of gross lending to customers*	Total loss provisions, groups 1, 2 and 3, as a % of gross lending. This key figure provides relevant information about credit risk and is deemed useful additional information to 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 to 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 percentage of net lending. This key figure provides relevant information about credit risk and is deemed useful additional information to 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' proportion of total equity adjusted for hybrid capital (less proposed dividends) as a percentage (basis as at 01.01, time-weighted by 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 gives the reader the opportunity 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

(Amounts in NOK millions)	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	2. kvartal 2019
Interest income	235,3	231,2	238,0	245,6	287,4	309,4
Interest costs	83,5	80,0	74,0	79,3	150,1	156,1
Net interest income	151,8	151,2	164,0	166,3	137,3	153,4
Commission income and income from banking services	18,3	17,9	19,8	19,1	17,8	22,6
Commission costs and costs for banking services	11,2	10,4	11,6	10,4	10,1	11,2
Dividend	69,0	2,2	6,4	0,1	0,0	2,5
Net changes in value and gains/losses on financial instruments	2,1	0,0	-3,7	-4,9	178,5	2,9
Other operating income	1,9	3,8	3,3	1,9	1,6	4,2
Net other operating income	80,1	13,5	14,2	5,9	187,9	21,0
Payroll, etc.	35,4	47,0	46,3	43,8	30,6	30,2
Administration costs	15,4	14,3	15,4	13,9	13,2	13,1
Depreciation/write-downs/changes in value for non-financial assets	7,0	6,9	7,4	6,9	6,6	6,4
Other operating costs	10,4	10,8	12,9	7,4	11,2	9,0
Total operating costs	68,2	78,9	81,9	72,1	61,6	58,7
Profit/loss before losses	163,8	85,8	96,3	100,0	263,5	115,7
Losses on loans, unused credit and guarantees	0,6	2,6	3,7	2,0	1,8	3,7
Profit/loss before tax costs	163,2	83,2	92,6	98,1	261,7	112,0
Tax costs	21,8	18,6	20,6	22,1	25,4	26,0
Profit/loss after tax	141,4	64,6	72,0	75,9	236,3	85,9
Hybrid capital owners' share of the result	3,5	3,5	3,4	3,5	4,2	4,1
Equity certificate holders' and primary capital share of profits	137,9	61,1	68,5	72,4	232,1	81,9
Profit/loss after tax	141,4	64,6	72,0	75,9	236,3	85,9
Earnings per equity certificate	1,97	0,87	1,04	1,10	3,51	1,28
Diluted earnings per equity certificate	1,97	0,87	1,04	1,10	3,51	1,28

Other comprehensive income performance - Group

(Amounts in NOK million)	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	2. kvartal 2019
Profit/loss after tax	141,4	64,6	72,0	75,9	236,3	85,9
Items that will not be reclassified to the income statement						
Actuarial gains and losses on defined-benefit plans	0,0	0,0	-2,4	0,0	0,0	0,0
Tax related to items that cannot be reclassified	0,0	0,0	0,6	0,0	0,0	0,0
Comprehensive income	141,4	64,6	70,2	75,9	236,3	85,9

Balance sheet performance - Group

(Amounts in NOK millions)	30.06.2021	31.03.2021	31.12.2020	30.09.2020	30.06.2020	30.06.2019
Assets						
Cash and receivables from central banks	290,8	421,8	409,4	441,0	536,3	437,5
Loans to and receivables from financial institutions	7,6	12,9	13,4	12,3	8,2	10,7
Loans to and receivables from customers	40.425,6	38.441,0	35.443,8	31.366,3	32.013,4	34.801,6
Certificates and bonds	6.868,8	6.238,7	6.790,2	9.316,0	9.562,9	6.238,4
Shares and units	808,4	801,0	811,0	814,8	810,8	619,3
Financial derivatives	273,2	245,8	374,1	552,5	530,8	273,3
Investment properties	11,8	11,9	11,9	12,0	12,1	59,5
Tangible fixed assets	149,8	147,4	145,1	143,0	143,6	135,9
Lease rights	41,8	44,2	44,1	46,5	47,9	52,9
Other assets	14,3	16,5	14,9	16,3	17,5	18,3
Prepaid non-accrued costs and income earned, but not received	25,1	21,5	11,7	18,4	16,5	17,8
Total assets	48.917,1	46.402,6	44.069,7	42.739,1	43.700,1	42.665,2
Liabilities and equity						
Liabilities to financial institutions	300,1	300,9	601,0	601,4	601,0	300,5
Deposits from and liabilities to customers	17.318,3	15.748,6	14.845,1	14.542,0	14.851,5	15.014,4
Financial derivatives	13,4	18,0	17,9	25,3	29,9	8,0
Securities issued	25.775,7	24.912,5	23.111,0	21.950,7	22.698,7	22.484,7
Other liabilities	405,8	441,3	501,8	553,2	528,8	319,5
Accruals and deferred income	34,5	47,9	43,0	41,5	34,4	35,5
Other provisions and liabilities	62,9	63,0	62,9	67,6	67,7	78,5
Deferred tax liability	0,7	0,5	0,0	0,7	2,2	3,2
Lease liabilities	42,7	45,0	44,9	47,2	48,6	53,2
Subordinated loan capital	400,1	400,2	400,1	400,0	400,0	400,2
Total liabilities	44.354,3	41.977,7	39.627,7	38.229,6	39.262,8	38.697,7
Paid-up equity	595,1	595,1	595,1	595,1	595,1	595,1
Hybrid capital	351,7	351,8	351,7	351,7	352,0	350,5
Retained earnings	3.615,9	3.478,0	3.495,1	3.562,7	3.490,3	3.022,0
Total equity	4.562,7	4.424,9	4.442,0	4.509,5	4.437,4	3.967,5
Total liabilities and equity	48.917,1	46.402,6	44.069,7	42.739,1	43.700,1	42.665,2

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