

179th year

QUARTERLY REPORT

Q3 2021



SPAREBANKEN
ØST

Interim financial statements, Q3 2021

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Key figures - Group

Income Statement (Amounts in NOK millions)	3. kvartal 2021	3. kvartal 2020	1.1.-30.9.2021	1.1.-30.9.2020	Full year 2020
Net interest income	165,5	166,3	468,5	468,1	632,1
Net commission income	6,6	8,7	21,3	27,0	35,1
Net result from financial assets	-2,6	-4,8	70,7	145,3	148,1
Other operating income	0,2	1,9	5,9	26,0	29,3
Total net income	169,8	172,1	566,4	666,5	844,7
Total operating costs	79,5	72,1	226,6	214,1	296,0
Profit/loss before losses	90,2	100,0	339,8	452,4	548,7
Losses on loans, unused credit and guarantees	-1,7	2,0	1,5	11,4	15,1
Profit/loss before tax costs	91,9	98,1	338,3	441,0	533,6
Tax costs	20,2	22,1	60,6	59,8	80,4
Profit/loss after tax	71,7	75,9	277,7	381,2	453,1
Key figures	3. kvartal 2021	3. kvartal 2020	1.1.-30.9.2021	1.1.-30.9.2020	Full year 2020
Profitability					
Return on equity*	6,44	7,23	8,71	12,83	11,47
Net interest income as a percentage of average total assets	1,35	1,53	1,33	1,45	1,46
Profit after tax as a percentage of average total assets	0,58	0,70	0,79	1,18	1,05
Costs as a percentage of average total assets	0,65	0,66	0,64	0,66	0,68
Costs as a % of income (before losses on loans/guarantees)*	46,85	41,88	40,01	32,13	35,04
Costs as a % of income (excl. return on financial investments)*	46,14	40,75	45,72	41,08	42,50
Balance sheet figures					
Net lending to customers	40.093,4	31.366,3	40.093,4	31.366,3	35.443,8
Lending growth (quarter/12 months)	-0,82	-2,02	27,82	-9,69	3,56
Deposits	17.852,6	14.542,0	17.852,6	14.542,0	14.845,1
Deposit growth (quarter/12 months)	3,09	-2,08	22,77	-3,52	0,36
Average equity	4.204,2	3.987,3	4.104,7	3.839,1	3.812,9
Average total assets	48.805,3	43.219,6	47.020,8	43.106,3	43.299,0
Loss provisions on impaired and non-performing commitments					
Losses as a % of net lending to customers (OB)*	-0,02	0,02	0,01	0,04	0,04
Loan loss provisions as a percentage of gross lending to customers*	0,32	0,39	0,32	0,39	0,35
Net payments over 90 days past due as a percentage of net lending*	0,20	0,35	0,20	0,35	0,29
Other net non-performing commitments (Stage 3) as a percentage of net lending*	0,13	0,02	0,13	0,02	0,02
Financial strength					
CET1 capital ratio incl. 50% of retained earnings (%)	17,62	18,51	17,62	18,51	17,96
CET1 capital ratio (%)	17,00	17,53	17,00	17,53	17,96
Tier 1 capital ratio (%)	18,62	19,39	18,62	19,39	19,67
Capital adequacy ratio (%)	20,48	21,22	20,48	21,22	21,34
Risk-weighted volume (calculation basis)	21.490,8	18.818,0	21.490,8	18.818,0	20.471,4
Tier 1 leverage ratio incl. 50% of retained earnings (%)	8,34	8,93	8,34	8,93	9,03
Tier 1 leverage ratio (%)	8,07	8,50	8,07	8,50	9,03
Liquidity					
Deposit coverage ratio	44,53	46,36	44,53	46,36	41,88
LCR (%)	193,19	337,87	193,19	337,87	266,93
Branches and FTEs					
No. of branches	29	29	29	29	29
FTEs	184	188	184	188	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*	61,49	64,53	61,49	64,53	61,18
Earnings per equity certificate*	0,97	1,10	3,82	5,58	6,62
Dividend per equity certificate	0,00	0,00	0,00	0,00	4,50
Turnover rate	24,17	11,83	23,82	19,12	20,64
Price	52,80	44,70	52,80	44,70	51,40

* Defined as alternate performance target

** For ownership fraction at 01.01.2021, see Note 19

For definisjon av nøkkeltall og omtale av alternative resultatmål, se side 48

Board of Directors' Report

Sparebanken Øst has seen a significant influx of customers which has resulted in high rates of growth across both lending and deposits. Lending growth in the last 12 months has amounted to NOK 8.7 billion, or 27.82 per cent, and deposit growth has totalled NOK 3.3 billion, or 22.77 per cent. High growth in terms of both lending and deposits in a market that is characterised by strong competition has had an impact on net interest income to date in 2021. During the quarter, interest increases were adopted across much of the bank's lending portfolios and these took effect in mid-November. The bank's deposit margins are expected to increase in future as a result of anticipated increases in money market rates.

Sparebanken Øst calculates its capital adequacy using the standard method and therefore uses very high capital weights for its lending to retail and business customers when compared with banks that use IRB models. The differential treatment of equal risk shows that capital weights according to IRB models provide the possibility for significantly higher lending volumes relative to equity levels, which makes a higher return on equity possible. With equal treatment of risk, the bank's calculations show that Sparebanken Øst could have increased its lending portfolio by around 70 per cent without any extraordinary supply of new equity.

Sparebanken Øst achieved a profit after tax of NOK 71.7 million in the third quarter of 2021, which represents a return on equity of 6.44 per cent. Earnings per equity certificate in the quarter were NOK 0.97. Net interest income amounted to NOK 165.5 million, compared with NOK 166.3 million in the same quarter last year. Costs as a percentage of average total assets have reduced and stand at 0.65 per cent compared with 0.66 per cent in the same period last year. Losses on loans were very low and amounted to income of NOK 1.7 million, compared with a cost of NOK 2.0 million in the same quarter last year.

The profit after tax as at 30 September 2021 amounted to NOK 277.7 million, which represents a return on equity of 8.71 per cent. Earnings per equity certificate are NOK 3.82 to date this year. Net interest income to date this year amounted to NOK 468.5 million, compared with NOK 468.1 million in the same period last year. The profit/loss effect from equity investments amounted to NOK 79.7 million, down NOK 91.2 million compared with the same period last year. Costs as a percentage of average total assets have reduced and stand at 0.64 per cent compared with 0.66 per cent in the same period last year. Losses on loans were very low and amounted to NOK 1.5 million, compared with NOK 11.4 million in the same period last year.

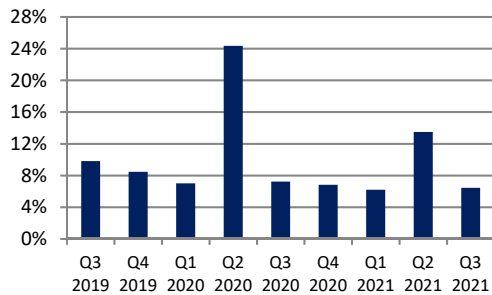
The Bank is very sound with a leverage ratio of 8.34 per cent and a CET1 capital ratio of 17.62 per cent calculated according to the standard model, both of which include 50 per cent of the equity certificate holders' and primary capital's shares of the profit for the year to date.

Quarterly profit

Sparebanken Øst achieved a profit after tax of NOK 71.7 million for Q3 2021. The corresponding profit after tax for Q3 2020 was NOK 75.9 million.

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

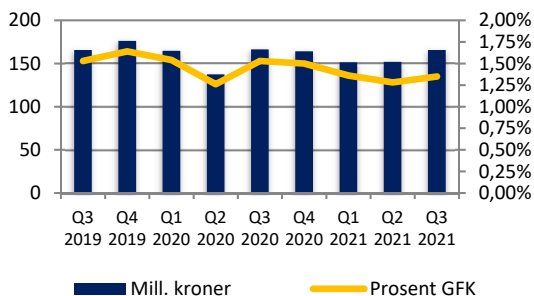
The return on equity for the quarter was 6.44 per cent, compared with 7.23 per cent for the same quarter in 2020.



Net interest income

Net interest income amounted to NOK 165.5 million in Q3 2021, compared with NOK 166.3 million in the same quarter in 2020. Net interest income amounted to 1.35 per cent of average total assets in the quarter. Developments in terms of net interest income are affected by high rates of lending and deposit growth over the last 12 months in a market characterised by strong competition for the best customers. Deposit margins remain low as a result of low interest rates.

The figure below shows net interest income in per cent and NOK in the last nine 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 4.2 million in Q3 2021, compared with NOK 5.9 million in the same quarter of last year.

- Net commission income amounted to NOK 6.6 million and reduced by NOK 2.0 million as a result of increased commission costs incurred by AS Financiering.
- The recognised dividend amounted to NOK 0.2 million for the quarter, representing an

increase of NOK 0.1 million compared with the same quarter last year.

- Net changes in value and gains/losses on financial instruments were negative in the amount of NOK 2.8 million for Q3 2021, compared with a loss of NOK 4.9 million in the same quarter last year. The value of the liquidity portfolio dropped by NOK 4.5 million during the quarter, compared to a drop of NOK 3.6 million in the same quarter last year. Value changes related to shares and equity rights in Visa Inc. were negative in the amount of NOK 1.3 million for the quarter, compared to a positive change in value worth NOK 3.8 million in the same quarter last year. During the quarter there was a positive change in the value of the bank's shares in Kraft Bank ASA amounting to NOK 1.8 million, and the bank's shares in Balder Betaling AS (owner of Vipps AS) also increased by NOK 1.8 million. The financial impact of currency, derivatives and fixed-rate lending at fair value was negative in the amount of NOK 0.5 million in the quarter, compared with a positive impact of NOK 1.5 million in the same quarter last year. The cost of buying back the bank's own issued debt amounted to NOK 0.1 million during the quarter, compared with NOK 6.6 million in the same quarter last year.
- Other operating income reduced by NOK 1.7 million, amounting to NOK 0.2 million during Q3 2021 compared with the same quarter last year.

Operating costs

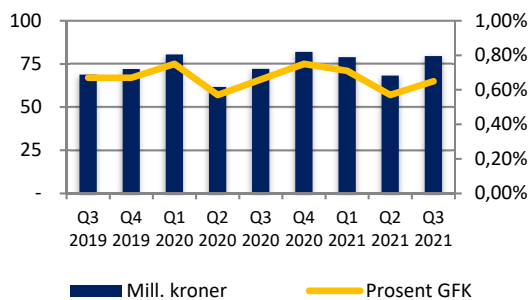
Total operating costs as a percentage of average total assets have reduced and stand at 0.65 per cent compared with 0.66 per cent in the same quarter last year. In Q3 2021, operating costs increased by NOK 7.4 million compared to the same quarter last year and amounted to NOK 79.5 million in the quarter. The changes concern the following:

- Payroll costs amounted to NOK 47.5 million compared with NOK 43.8 million in the same quarter last year. Increasing regulatory requirements and expectations entail a need for significant additional effort from the

bank's employees and other contracted personnel. In addition to general increases in payroll, the bank has undergone organisational revitalisation over the last year through the addition of new expertise to meet the increased levels of complexity and regulatory requirements, while also undertaking projects relating to regulatory and digital adaptations that were delivered on a tight time line.

- Administrative costs amounted to NOK 14.5 million in Q3, compared with NOK 13.9 million in the same quarter last year.
- Depreciation amounted to NOK 6.9 million and remains stable compared with the same quarter last year.
- Other operating costs amounted to NOK 10.7 million in Q3, compared with NOK 7.4 million in the same quarter last year. This increase relates primarily to development projects in areas of IT and legal.

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



Impairment and non-performing commitments

Impairment losses on loans to customers, unused credits and guarantees amounted to income of NOK 1.7 million in Q3 2021, compared with a cost of NOK 2.0 million in Q3 2020.

At the end of the quarter, total loan loss provisions amounted to NOK 127.5 million, equating to 0.32 per cent of gross lending to customers. By comparison, total loan loss provisions amounted to NOK 122.3 million, equating to 0.39 per cent of gross lending to customers at the end of Q3 2020. Individually

assessed loan loss provisions amounted to NOK 93.4 million at the end of Q3 2021, compared with NOK 88.2 million at the end of Q3 2020.

At the end of the quarter, net non-performing commitments amounted to NOK 133.2 million, compared with NOK 114.4 million at the end of the same quarter last year. With effect as of 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 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 Q3 2021, total commitments in the waiting period are NOK 26.7 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 at the end of Q3 2021 is considered to be improved compared with what was assumed in the preparation of the annual financial statements for 2020, but 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 has changed at the end of Q3 2021 compared with what was used in the preparation of the annual financial statements for 2020. The impact of this change amounts to a NOK 1.6 million reduction in loss provisions in Q3 2021, of which NOK 1.6 million relates to reduced loan loss provisions in stage 1 and stage 2. Model-calculated loan loss provisions in Stage 1 and Stage 2 amounted to NOK 33.1 million at the end of Q3 2021 compared with NOK 33.7 million at the end of Q3 2020. Loan loss provisions on non-performing commitments (Stage 3) increased by NOK 5.9 million compared with the same quarter last year and amounted to NOK 94.4 million, of which NOK 89.8 million was related to commitments in AS Financiering.

Tax costs

Tax costs during Q3 2021 totalled NOK 20.2 million and amount to 22 per cent of the profit before tax.

Decision 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.

On 7 September this year, the Ministry of Finance announced that 'reduced uncertainty about financial trends indicates that Norwegian banks may adhere to the ordinary limits applicable to the distribution of dividends after 30 September this year.'

On 26 October 2021, the Board of Directors evaluated the Group's situation in terms of both capital and general finances as at the end of Q3 2021 and considered it prudent to apply its authorisation as granted to it by the Board of Trustees on 25 March 2021. On 26 October 2021, the Board of Directors resolved to pay a dividend of NOK 1.00 million (NOK 20.7 million in total) and allocate NOK 20.2 million to good causes.

Together with the sums that it was resolved to pay by ordinary means on 25 March 2021, the total dividend payment amounts to NOK 4.50 per equity certificate (a total of NOK 93.3 million) and a total sum of NOK 25.9 million has been allocated to good causes based on the profit for 2020. These sums are identical to the allocation of the profit shown in the bank's approved annual accounts for 2020.

Until 26.10.2021, the sums associated with the authorisation were reported as equity in the accounts and included in the key figure book equity per equity certificate. However, they were deducted when calculating the group's capital

adequacy, ownership fraction as at 01.01.2021, and return on equity.

Profit for the year to date

Sparebanken Øst achieved a profit after tax of NOK 277.7 million at the end of the third quarter of 2021. The equivalent profit after tax at the end of the third quarter of 2020 was NOK 381.2 million. Return on equity in the year to date was 8.71 per cent, compared with 12.83 per cent for the same period last year. Profit effects to date this year from the equity investment in Frende Holding AS were NOK 69.0 million. The profit from the equity investment in Frende Holding AS and gains from the sale of real estate totalled NOK 173.8 million at the end of Q3 2020.

Net interest income to date this year amounted to NOK 468.5 million, compared with NOK 468.1 million in the same period last year. Net interest income amounted to 1.33 per cent of average total assets to date this year, compared with 1.45 per cent in the same period last year.

Developments in net interest income are affected by high growth in lending and deposits 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 21.3 million, which was a reduction of NOK 5.7 million compared with the same period last year. This reduction is primarily the result of increased commission costs incurred by AS Financiering.

Dividends received to date this year amounted to NOK 71.4 million, of which NOK 69.0 million related to dividends received from Frende Holding AS. By comparison, dividends in the same period last year totalled NOK 5.4 million, and were 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 a loss of NOK 0.7 million to date this year, a decrease of NOK 140.7 million compared with the same period last year. The positive value adjustment of shares in Frende

Holding AS last year brought a gain of NOK 154.0 million. The value of the liquidity portfolio fell by NOK 9.0 million to date this year, compared with a decrease of NOK 14.4 million in the same period last year. The positive change in value linked to shares and share rights in Visa Inc. amounted to NOK 2.6 million to date, compared with a positive change in value of NOK 11.4 million in the same period last year. To date this year, there was a positive change in the value of the bank's shares in Kraft Bank ASA amounting to NOK 3.8 million, and the bank's shares in Balder Betaling AS (owner of Vipps AS) also increased by NOK 1.8 million. The positive impact on the results from currency, derivatives and fixed-rate loans at their true value amounts to NOK 0.2 million to date this year, while the equivalent figure for the same period last year was a loss of NOK 1.9 million. The costs of buying back the bank's own issued debt to date this year amounted to NOK 0.3 million compared with NOK 9.2 million during the same period last year.

Other operating income amounted to NOK 5.9 million for the year to date, compared with NOK 26.0 million at the end of the third quarter of 2020. The reduction was primarily attributable to a one-time gain of NOK 19.8 million from sales of properties in 2020.

Total operating costs as a percentage of average total assets have reduced and stand at 0.64 per cent compared with 0.66 per cent in the same period last year. Operating costs amounted to NOK 226.6 million at the end of the third quarter, compared with NOK 214.1 million at the end of the same period in 2020. This increase is primarily the result of increases in payroll costs. Increasing regulatory requirements and expectations entail a need for significant additional effort from the bank's employees and other contracted personnel. In addition to general increases in payroll, the bank has undergone organisational revitalisation over the last year through the addition of new expertise to meet the increased levels of complexity and regulatory requirements, while also undertaking projects relating to regulatory and digital adaptations that were delivered on a tight time line.

Impairment losses on loans to customers, unused credits and guarantees were very low and

reduced by NOK 9.9 million compared with the same period last year, amounting to NOK 1.5 million at the end of Q3 2021. Changes in the probability weighting of macro scenarios when calculating model-calculated expected credit losses to date this year amount to income of NOK 1.6 million compared with a cost of NOK 4.1 million in the same period last year.

Tax costs stand at NOK 60.6 million and amount to 17.9 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 30.09.2021

Total assets increased by NOK 5,954.5 million compared with 30.09.2020 and amounted to NOK 48,693.6 million at the end Q3 2021.

Assets

- Cash and receivables at central banks amounted to NOK 346.8 million as at 30.09.2021, compared with NOK 441.0 million as at 30.09.2020.
- Net lending to financial institutions amounted to NOK 9.3 million as at 30.09.2021, compared with NOK 12.3 million as at 30.09.2020.
- Net lending to customers amounted to NOK 40,093.4 million as at 30.09.2021, compared with NOK 31,366.3 million as at 30.09.2020. This represents an increase of NOK 8,727.1 million in the past 12 months, or 27.82 per cent. This high rate of 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 88.6 per cent of total lending to customers.
- Holdings of certificates and bonds amounted to NOK 6,953.6 million as at 30.09.2021, compared with NOK 9,316.0 million as at 30.09.2020. Liquidity reserves measured

using LCR totalled 193.19 per cent as at 30.09.2021, compared with 337.87 per cent as at 30.09.2020. 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 810.7 million as at 30.09.2021, compared with NOK 814.8 million as at 30.09.2020.

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 30.09.2021.

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 30.09.2021.

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 32.8 million as at 30.09.2021. 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 32.5 million as at 30.09.2021.

The Bank owns 'C' shares in Visa Inc. The shareholding was valued at NOK 37.4 million as at 30.09.2021. 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 14.5 million as at 30.09.2021.

The Bank owns 9.92 per cent of the shares in Norwegian Block Exchange AS (NBX). The shareholding was valued at NOK 15 million as at 30.09.2021.

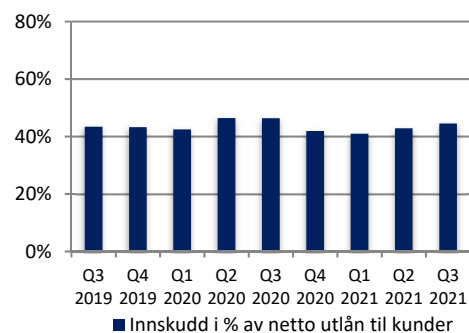
Liabilities

- Deposits from customers amounted to NOK 17,852.6 million as at 30.09.2021, compared with NOK 14,542.0 million as at 30.09.2020. This is an increase of NOK 3,310.6 million, or

22.77 per cent, in the past 12 months. The deposit coverage ratio in the group at the end of Q3 2021 was 44.53 per cent, compared with 46.36 per cent at the end of Q3 2020.

- Securities issued amounted to NOK 24,962.9 million as at 30.09.2021, compared with NOK 21,950.7 million as at 30.09.2020. The degree of stable and long-term financing measured by NSFR was 119.5 per cent as at 30.09.2021, compared with 117.8 per cent as at 30.09.2020. The average maturity for market funding was 3.17 years as at 30.09.2021, compared with 2.96 years as at 30.09.2020. As part of the phasing-in plan for MREL to date this year, the Bank has issued senior non-preferred debt (SNP) with a nominal value of NOK 400 million.
- Other borrowing amounted to NOK 300.8 million as at 30.09.2021, compared with NOK 601.4 million as at 30.09.2020.
- Short-term borrowing (defined as borrowing with a remaining term to maturity of less than 1 year) amounted to NOK 4,623.0 million as at 30.09.2021.

The figure below shows the loan to deposit ratio for the past nine 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 17.62 per cent at the end of Q3 2021, compared with 18.51 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.

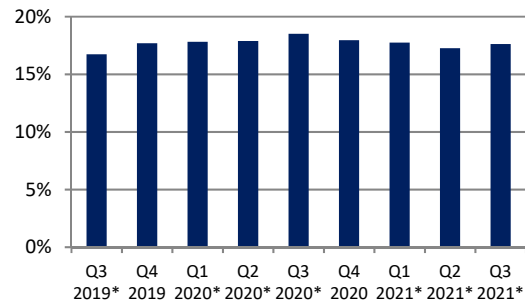
For the Bank, the systemic risk buffer will increase by 1.5 percentage points from 3.0 per cent to 4.5 per cent from 31 December 2022. The countercyclical capital buffer will be increased by 0.5 percentage points from 1.0 per cent to 1.5 per cent from 30 June 2022. It has been signalled that a further 0.5 percentage point increase to the countercyclical capital buffer should be expected from 31 December 2022, and in the longer term it will increase by a further 0.5 percentage points to 2.5 per cent, which was where it stood prior to March 2020 and the outbreak of Covid-19.

The extension of the SME discount in CRR2 is expected to be implemented in 2022. The Bank's calculations show that the extension of the SME discount will result in an increase in the CET1 capital ratio of about 0.36 percentage points based on the loan portfolio as of 30.09.2021. 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 Q3 2021 amounted to NOK 4,402.4 million, of which NOK 4,002.4 million constituted the group's CET1 capital. Given a calculation basis of NOK 21,490.8 million, this corresponds to a capital adequacy ratio of 20.48 per cent, of which 18.62 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 8.34 per cent at the end of Q3 2021, compared with 8.93 per cent at end Q3 2020. The unweighted requirement for CET1 capital is 5.0 per cent.

The figure below shows the development in CET1 capital over the last nine 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 of the standard method, which means that loans with the same risk are subject to far higher risk weighting when compared with the approach of bank's that use risk weights set out in IRB models. The outcome of this is that Sparebanken Øst is required to hold far more equity for its lending than banks who are able to use IRB models for all or parts of their lending portfolios. The end of the Basel 1 floor for Norwegian IRB banks from 31 December 2019 altered the competitive situation in the Norwegian market to a significant degree and has also left its mark on profit performances.

Sparebanken Øst uses risk weighting of 35 per cent on residential mortgages with a loan-to-value ratio of 80 per cent or less, while banks that deploy IRB models have risk weighting from 20 per cent. 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). In the case of loans for commercial properties, the bank

uses risk weighting from 100 per cent, while banks that use IRB models have risk weighting from 35 per cent. 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 Q3 2021. With equal treatment of equal risk, the bank could alternatively have increased its lending portfolio by approximately 70 per cent - the equivalent of NOK 26 billion - without any extraordinary supply of new equity.

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. The differential treatment of low risk results in a very detrimental competitive disadvantage when it is necessary to also protect the interests of the bank's equity certificate investors at the same time.

Risk

Credit risk

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

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

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

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

The Bank's geographical coverage provides access to a large market area with flexibility with regard to customers and segments. The Bank's loan portfolio is primarily spread across the central Eastern Norway area. The low proportion of lending to the business market contributes to a lower overall credit risk for the Bank. Exposure to commercial property represents a relatively large proportion of the business portfolio, but a limited proportion of the bank's total loan portfolio. The Bank 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 also little direct or indirect exposure to trading activities with the exception of groceries. The bank's follow-up and evaluations of its business portfolio during the Covid-19 pandemic have demonstrated that the portfolio is low in risk and robust. No new applications have been received for the government's guaranteed loan scheme and no new loans have been granted through this scheme to date in 2021.

Loans and credits to the retail market are generally only granted against home mortgages. The bank's exposure to lending and credit without associated security is low. Given the group's high share of loans to the retail market, which is primarily distributed in geographic terms throughout the central area of Eastern Norway, the retail market portfolio is considered to have security and capacity to service debt in a housing and labour market that is expected to remain fully functional in the longer term. The retail market portfolio has also proven itself to be robust and typified by low levels of risk throughout the Covid-19 pandemic.

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

Market risk

Sparebanken Øst has a financial strategy that is intended to help to ensure that the bank's activities in the area of finance are in line with the framework conditions and guidelines in the bank's overall business concept, strategic plans and budgets, and also to ensure that the activities are prudent in relation to the bank's capacity and willingness to bear risk. The financial strategy is also intended to ensure that the Bank's management of financial risk complies with the requirements stipulated in acts, regulations, directives from the authorities, and other regulatory conditions. Sparebanken Øst has a liquidity portfolio comprising interest-bearing securities that are primarily issued by Nordic financial institutions, 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 Q3 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 any significant losses due to the failure of internal processes, systems, human error or unforeseen events as at 30.09.2021.

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 Q3 2021 was 45.8 per cent, compared with 47.8 per cent at the end of Q3 2020.

As at 30.09.2021, the company's total assets amounted to NOK 20,933.4 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 1,350.0 million, of which NOK 437.1 million is share capital and NOK 912.9 million makes up the share premium account. The profit after tax at the end of the third quarter of 2021 was NOK 92.7 million, compared with NOK 74.2 million for the same period last year. The company has no employees, but sources services from Sparebanken Øst.

AS Finansiering 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 achieved a profit after tax of NOK 39.5 million at the end of the third quarter of 2021 compared with NOK 40.5 million in the same period last year. Total assets amounted to NOK 2,478.5 million. The company had 17 employees, corresponding to 17 FTEs at the end of Q3 2021.

Sparebanken Øst Eiendom AS is a wholly owned subsidiary of Sparebanken Øst and is tasked with managing properties owned by the Sparebanken Øst Group. The company's operating income amounted to NOK 4.0 million at the end of the third quarter of 2021, compared with NOK 23.8 million in the same period last year. NOK 19.8 million in profit from the sale of property was recognised as income in Q1 2020. As at the end of the third quarter of 2021, there is a profit after tax of NOK 1.1 million, compared with NOK 20.6 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. As at the end of the third quarter of 2021, there is a profit after tax of NOK 1.8 million, compared with a loss of NOK 0.4 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. As at the end of the third quarter of 2021, there is a result after tax of NOK 0.0 million, compared with a loss of NOK 0.9 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 30.09.2021, Frende is owned by 14 savings banks and three Varig insurance companies, where Sparebanken Øst is the third largest shareholder. Frende's head office is in Bergen. Frende Holding AS achieved a profit after tax of NOK 367.6 million at the end of the third quarter of 2021, compared with NOK 310.1 million in the same period last year.

Due to the bank's stake in Frende being less than 20 per cent, the bank has chosen not to recognise the retained earnings on an ongoing basis, but continues to value the shareholding at its fair value with any change in value recognised and all received dividends recognised. To date this year, the bank has recognised NOK 69.0 million in dividends distributed by Frende in relation to the 2020 financial year.

Accounting Policies

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

Dividend policy

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

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

Macroeconomic trends

The Norwegian economy continues to develop positively, with GDP for mainland Norway in July returning for the first time to a higher level than that at the beginning of the pandemic. Despite high rates of infection at times during the third quarter, large parts of society have been more or less fully active, and on 25 September, Norway returned to normal daily life with only a minimal level of infection prevention measures in place.

Increased levels of activity have seen the number of unemployed continue to fall during the third quarter. The number of people unemployed at the end of the quarter amounted to 2.6 per cent, a fall of 0.4 percentage points from the second quarter. The decline in unemployment is broadly based on both different geographical regions and occupational groups.

Following a sharp increase in house prices at the start of the year, growth has gradually tailed off. In July, house prices fell before being followed by a marked rise in August. Seasonally-adjusted house prices in Norway increased by 0.8 per cent during the third quarter, and at the end of the period prices were 8.0 per cent higher than they were 12 months previously. Levels of activity in the housing market this year have been high, and sales during the third quarter were good although the number of homes sold was lower than the extremely high sales figures recorded during Q3 2020.

As expected, Norges Bank increased its key policy rate by 0.25 percentage points at its monetary policy meeting on 23 September and signalled that the key rate will most likely increase by a further 0.25 percentage points in December this year. In doing so, the central bank raised the interest rate curve somewhat for the coming period. The reason for this change was that levels of activity in the Norwegian economy are well on the increase and increasing salaries and prices are expected to contribute to inflation approaching its target of two per cent in the long term.

Money market rates have risen throughout the third quarter based on the expectation that the key policy rate would rise in September. The 3-

month NIBOR increased markedly from 0.20 per cent in early June to 0.58 per cent at the end of September. The market now expects the 3-month NIBOR to rise to levels around 0.90 per cent by the turn of the year. The 10-year swap rate was 1.89 per cent at the end of Q3 following an increase of 0.22 percentage points during the quarter.

Inflation in September was characterised by high electricity prices and stood at 4.1 per cent (CPI) compared with the corresponding month last year. Core inflation (CPI-ATE) has been falling throughout 2021, and was 1.2 per cent during the same period. Norges Bank expects core inflation to remain below the two per cent target in the years to come.

Outlook

The pace of the Norwegian economy has been high since the beginning of the second quarter this year. Norges Bank and Statistics Norway estimate that GDP for mainland Norway will increase by just under four per cent during 2021 and 2022, which is well above the growth trend in the economy. At the end of September, Norway transitioned to normal daily life while remaining in a heightened state of readiness. With more than 85 per cent of the population over the age of 18 years old double vaccinated, the risk of new and invasive infection prevention measures being introduced and any associated impact on the economy is deemed to be small.

Unemployment is returning to normal levels following a marked reduction to date in 2021, and is expected to fall further in the coming months. Vacancies are at a historic high and Norges Bank's regional network for September shows that businesses in most sectors expect to increase their headcounts in the period ahead.

The situation in the labour market indicates that there is a prospect of higher wage growth and that households are well-equipped to cope with any future interest rate rises. House prices are expected to grow more slowly in the period ahead. The number of homes being sold remains high, and a low number of homes for sale will underpin house prices in the time to come.

Norges Bank increased its key policy rate by 0.25 percentage points on 23 September while also raising the interest rate curve at the same time. The key policy rate is likely to increase by a further 0.25 percentage points in December, and the rate curve indicates three further rises during the course of 2022.

Following Norges Bank's rate increase, a large proportion of the bank's lending portfolio was repriced with these changes taking effect in mid-November. Money market rates increased throughout the third quarter and are expected to continue to rise, which suggests higher borrowing costs in the coming quarters. Competition for loan customers is strong and will put pressure on the bank's net interest rate in the period ahead.

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's experiences during the Covid-19 pandemic show that its lending portfolios are low in risk and robust in nature. The low rate of non-performing 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 works 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 September 2021

Drammen, 26 October 2021

Øivind Andersson
Chair

Cecilie Hagby
Deputy Chair

Elly Therese Thoresen
Board member

Jorund Rønning Indrelid
Board member

Arne K. Stokke
Board member

Ole B. Hoen
Board member

Ole-Martin Solberg
Employee representative

Sissel Album Fjeld
Employee representative

Pål Strand
CEO

Income Statement – Group

(Amounts in NOK millions)	Note	3. kvartal 2021	3. kvartal 2020	1.1.-30.9.2021	1.1.-30.9.2020	Full year 2020
Interest income from assets valued at amortised cost		225,5	220,7	659,7	775,2	992,9
Interest income from assets valued at fair value		16,0	24,8	48,4	108,2	128,6
Interest costs		76,0	79,3	239,6	415,3	489,3
Net interest income	15	165,5	166,3	468,5	468,1	632,1
Commission income and income from banking services		19,0	19,1	55,3	58,2	78,0
Commission costs and costs for banking services		12,4	10,4	34,0	31,3	42,9
Dividend		0,2	0,1	71,4	5,4	11,8
Net value changes and gains/losses on financial instruments	16	-2,8	-4,9	-0,7	140,0	136,3
Other operating income		0,2	1,9	5,9	26,0	29,3
Net other operating income		4,2	5,9	97,9	198,4	212,6
Payroll, etc.		47,5	43,8	129,9	121,1	167,4
Administration costs		14,5	13,9	44,2	42,0	57,4
Depreciation/write-downs/changes in value for non-financial assets		6,9	6,9	20,7	19,9	27,3
Other operating costs		10,7	7,4	31,8	31,0	43,9
Total operating costs	17	79,5	72,1	226,6	214,1	296,0
Profit/loss before losses		90,2	100,0	339,8	452,4	548,7
Losses on loans, unused credit and guarantees	4	-1,7	2,0	1,5	11,4	15,1
Profit/loss before tax costs		91,9	98,1	338,3	441,0	533,6
Tax costs		20,2	22,1	60,6	59,8	80,4
Profit/loss after tax		71,7	75,9	277,7	381,2	453,1
Hybrid capital owners' share of the result		3,4	3,5	10,4	12,5	15,9
Equity certificate holders' and primary capital share of profits		68,3	72,4	267,3	368,7	437,2
Profit/loss after tax		71,7	75,9	277,7	381,2	453,1
Earnings per equity certificate		0,97	1,10	3,82	5,58	6,62
Diluted earnings per equity certificate		0,97	1,10	3,82	5,58	6,62

Total income - Group

(Amounts in NOK millions)	Note	3. kvartal 2021	Q3 2020	1.1.-30.9.2021	1.1.-30.9.2020	Full year 2020
Profit/loss after tax		71,7	75,9	277,7	381,2	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		71,7	75,9	277,7	381,2	451,4

Balance Sheet – Group

(Amounts in NOK millions)	Note	30.09.2021	30.09.2020	31.12.2020
Assets				
Cash and receivables from central banks	10,11	346,8	441,0	409,4
Loans to and receivables from financial institutions	10,11	9,3	12,3	13,4
Loans to and receivables from customers	4,7,8,10,11	40.093,4	31.366,3	35.443,8
Certificates and bonds	10,11	6.953,6	9.316,0	6.790,2
Shares and units	10,11	810,7	814,8	811,0
Financial derivatives	10,11,13,14	247,3	552,5	374,1
Investment properties		11,7	12,0	11,9
Tangible fixed assets		146,9	143,0	145,1
Lease rights		40,8	46,5	44,1
Other assets		9,2	16,3	14,9
Prepaid non-accrued costs and income earned, but not received		23,8	18,4	11,7
Total assets		48.693,6	42.739,1	44.069,7
Liabilities and equity				
Liabilities to financial institutions	10,11	300,8	601,4	601,0
Deposits from and liabilities to customers	6,10,11	17.852,6	14.542,0	14.845,1
Financial derivatives	10,11,13,14	16,0	25,3	17,9
Securities issued	10,11,12	24.962,9	21.950,7	23.111,0
Other liabilities		385,5	553,2	501,8
Accruals and deferred income		39,4	41,5	43,0
Other provisions and liabilities		62,8	67,6	62,9
Deferred tax liability		0,6	0,7	0,0
Lease liabilities		41,8	47,2	44,9
Subordinated loan capital	10,11,12	400,2	400,0	400,1
Total liabilities		44.062,7	38.229,6	39.627,7
Paid-up equity		595,1	595,1	595,1
Hybrid capital		351,7	351,7	351,7
Retained earnings		3.684,2	3.562,7	3.495,1
Total equity		4.630,9	4.509,5	4.442,0
Total liabilities and equity		48.693,6	42.739,1	44.069,7

Changes in Equity - Group

(Amounts in NOK millions)	Paid-up equity		Hybrid capital			Retained earnings				
	Total equity	Equity certificates	Share ditional reserve	Tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for		
								unrealised gains	Other equity	Retained profit
30.09.2021										
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	277,7	0,0	0,0	10,4	0,0	0,0	0,0	0,0	0,0	267,3
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	277,7	0,0	0,0	10,4	0,0	0,0	0,0	0,0	0,0	267,3
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	-10,5	0,0	0,0	-10,5	0,0	0,0	0,0	0,0	0,0	0,0
Equity as at 30.09.2021	4.630,9	207,3	387,8	351,7	340,1	2.158,4	38,1	434,7	445,6	267,3

In connection with the allocation of the profit for the year for 2020, the Board of Trustees resolved on 25 March 2021 to grant the Board of Directors special authorisation to make a decision on paying out a dividend of up to NOK 20.7 million (up to NOK 1.00 per equity certificate) and grants for good causes totalling up to NOK 20.2 million at the earliest on 01.10.2021 and by no later than the annual meeting of the Board of Trustees in 2022, if the capital situation and the authorities' guidelines so permit. On 26 October 2021, the Board of Directors resolved to apply its authorisation and pay a dividend of NOK 20.7 million (NOK 1.00 per equity certificate) and allocate NOK 20.2 million to good causes. At the end of Q3 2021 and until the date of the decision on 26 October 2021, the approved dividend payable to equity certificate holders is recognised as part of the equalisation fund and the allocation of funds to good causes is recognised as part of the primary capital.

(Amounts in NOK millions)	Paid-up equity		Hybrid capital			Retained earnings				
	Total equity	Equity certificates	Share ditional reserve	Tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for		
								unrealised gains	Other equity	Retained profit
30.09.2020										
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	381,2	0,0	0,0	12,5	0,0	0,0	0,0	0,0	0,0	368,7
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	381,2	0,0	0,0	12,5	0,0	0,0	0,0	0,0	0,0	368,7
Interest paid on hybrid capital	-13,2	0,0	0,0	-13,2	0,0	0,0	0,0	0,0	0,0	0,0
Equity as at 30.09.2020	4.509,5	207,3	387,8	351,7	405,7	2.045,5	38,1	277,5	427,2	368,7

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

Cash Flow Statement - Group

(Amounts in NOK millions)	30.09.2021	30.09.2020	31.12.2020
Operating activities			
Profit before tax	338,3	441,0	533,6
Adjusted for:			
Change in net interest income earned and accrued interest costs	48,4	40,9	-10,0
Net receipts/payments of loans to customers	-4.656,2	2.831,3	-1.247,1
Change in certificates and bonds	-165,9	-2.561,2	-41,6
Changes in value of equities and units	-8,2	-165,6	-161,5
Change in other assets in connection with operations	-17,5	31,1	31,6
Net receipts/disbursement of deposits from customers	2.965,3	-305,9	53,7
Change in other operating liabilities	-117,5	294,3	153,9
Non-cash items included in profit before tax costs	17,4	26,5	42,3
Net gain/loss from investing activities	-0,6	-20,2	-20,2
Net gain/loss from financing activities	0,3	9,2	9,6
Taxes paid for the period	-75,3	-99,5	-99,5
Net cash flow from operating activities	-1.671,6	521,6	-755,3
Investing activities			
Payments on purchases of tangible fixed assets	-15,7	-26,4	-33,5
Proceeds from sale of fixed assets	1,1	72,0	72,1
Net proceeds/costs on the sale/purchase of financial investments	8,5	-19,6	-19,9
Net cash flow from investing activities	-6,0	26,0	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	-2.369,2	-3.198,0	-4.364,9
Proceeds on issuance of securities	4.363,2	2.498,6	4.997,1
Payment of dividend	-72,6	0,0	-74,6
Interest paid on hybrid capital	-10,5	-13,2	-16,6
Net cash flow from financing activities	1.610,9	-412,6	840,9
Net change in cash and cash equivalents	-66,8	135,0	104,4
Cash and cash equivalents at 01.01.	422,8	318,3	318,3
Holding of cash and cash equivalents at the end of the period	356,0	453,3	422,8

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

Additional information for operating activities concerning interest and dividend income	30.09.2021	30.09.2020	31.12.2020
Interest payments received	714,0	904,7	1.147,5
Interest payments made	202,0	394,4	523,5
Dividends received	71,4	5,4	11,8

Note 1 - Basis for preparation of the financial statements

Accounting Policies

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

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

All amounts are stated in NOK millions and relate to the group unless otherwise specified.

The interim financial statements have not been audited.

Assessments and use of estimates

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

Note 2 - Operating segments

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

Profit/loss

30.09.2021	Retail market	Corporate market	Finance	AS Financiering	Sparebanken Øst Eiendom AS	Unallocated	Eliminations	Group
Net interest and commission income	260,7	94,1	-18,1	103,8	-0,4	27,6	0,8	468,5
Other operating income	40,2	5,5	-8,2	-19,2	4,0	78,5	-3,3	97,6
Operating costs	46,9	9,6	0,0	27,3	2,3	145,1	-4,8	226,4
Profit/loss before losses	254,0	90,0	-26,2	57,3	1,4	-39,0	2,3	339,8
Losses on loans, unused credit and guarantees	1,6	-4,5	0,0	4,5	0,0	-0,1	0,0	1,5
Profit/loss before tax costs	252,4	94,5	-26,2	52,8	1,4	-38,8	2,3	338,3
Tax costs	0,0	0,0	0,0	13,3	0,3	46,4	0,6	60,6
Profit/loss after tax	252,4	94,5	-26,2	39,5	1,1	-85,2	1,8	277,7

30.09.2020	Retail market	Corporate market	Finance	AS Financiering	Sparebanken Øst Eiendom AS	Unallocated	Eliminations	Group
Net interest and commission income	258,0	99,7	-25,7	101,5	-0,3	32,1	2,8	468,1
Other operating income	40,9	5,7	-18,2	-14,7	23,8	171,3	-10,6	198,4
Operating costs	37,8	14,5	0,0	24,3	2,8	139,0	-4,2	214,1
Profit/loss before losses	261,1	91,0	-43,8	62,4	20,8	64,4	-3,5	452,4
Losses on loans, unused credit and guarantees	0,0	3,1	0,0	8,2	0,0	0,0	0,0	11,4
Profit/loss before tax costs	261,1	87,9	-43,8	54,1	20,8	64,4	-3,5	441,0
Tax costs	0,0	0,0	0,0	13,6	0,2	46,9	-0,9	59,8
Profit/loss after tax	261,1	87,9	-43,8	40,5	20,6	17,5	-2,6	381,2

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

30.09.2021	Retail market	Corporate market	Finance	AS Financiering	Sparebanken Øst Eiendom AS	Unallocated	Eliminations	Group
Loans to and receivables from customers	32.756,4	4.485,3	1,7	2.427,8	0,0	447,1	-24,8	40.093,4
Other assets	3,3	0,0	8.058,4	50,7	104,4	3.860,2	-3.476,9	8.600,2
Total assets	32.759,7	4.485,3	8.060,1	2.478,5	104,4	4.307,3	-3.501,8	48.693,6
Deposits from and liabilities to customers	11.956,5	3.126,3	2.648,4	0,0	0,0	177,3	-55,9	17.852,6
Other liabilities/offsetting	20.803,2	1.359,0	5.411,7	2.015,2	31,6	-319,4	-3.091,3	26.210,0
Equity	0,0	0,0	0,0	463,2	72,9	4.449,4	-354,6	4.630,9
Total liabilities and equity	32.759,7	4.485,3	8.060,1	2.478,5	104,4	4.307,3	-3.501,8	48.693,6

30.09.2020	Retail market	Corporate market	Finance	AS Financiering	Sparebanken Øst Eiendom AS	Unallocated	Eliminations	Group
Loans to and receivables from customers	24.024,4	4.690,7	10,7	2.181,7	0,0	483,4	-24,6	31.366,3
Other assets	6,5	0,0	10.752,4	48,2	141,7	3.844,3	-3.420,3	11.372,8
Total assets	24.030,9	4.690,7	10.763,1	2.229,9	141,7	4.327,8	-3.445,0	42.739,1
Deposits from and liabilities to customers	9.481,1	3.384,1	1.581,7	0,0	0,0	188,3	-93,2	14.542,0
Other liabilities/offsetting	14.549,8	1.306,6	9.181,4	1.780,4	34,7	-172,6	-2.992,8	23.687,6
Equity	0,0	0,0	0,0	449,5	107,0	4.312,0	-359,0	4.509,5
Total liabilities and equity	24.030,9	4.690,7	10.763,1	2.229,9	141,7	4.327,8	-3.445,0	42.739,1

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

Note 3 - Capital adequacy

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

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

	30.09.2021	30.09.2020	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	-11,1	-8,4
Dividends*	-40,9	-134,3	-119,2
Goodwill included in the valuation of significant investments	-245,8	-282,2	-223,1
Intangible assets	-31,8	-31,2	-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	-32,8	-30,8	-31,0
Total CET1 capital	3.652,4	3.299,5	3.676,2
Other tier 1 capital			
Hybrid tier 1 capital	350,0	350,0	350,0
Deductions from other tier 1 capital			
Other tier 1 capital instruments in other financial institutions (not significant)	0,0	0,0	0,0
Other tier 1 capital instruments in other financial institutions (significant)	0,0	0,0	0,0
Total other tier 1 capital	350,0	350,0	350,0
Total tier 1 capital	4.002,4	3.649,5	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	-56,4	-56,6
Total tier 2 capital	400,0	343,6	343,4
Net primary capital	4.402,4	3.993,0	4.369,6

Note 3 - Capital adequacy (contd.)

	30.09.2021	30.09.2020	31.12.2020
Governments and central banks	0,0	0,0	0,0
Local and regional authorities	13,5	168,4	86,3
Publicly owned companies	0,0	0,0	0,0
Multilateral development banks	0,0	0,0	0,0
Institutions	45,8	59,9	46,0
Companies	321,7	431,7	435,4
Mass market accounts	2.854,4	1.712,4	1.696,0
Accounts secured against property	14.497,4	12.568,0	14.233,5
Accounts due	160,9	187,9	187,4
High-risk commitments	542,6	576,7	654,5
Covered bonds	528,2	692,6	476,5
Shares in securities fund	0,0	0,0	0,0
Equity positions	840,2	777,7	921,6
Other exposures	192,0	220,2	241,4
Securitisation	0,0	0,0	0,0
Calculation basis for credit and counterparty risk	19.996,6	17.395,5	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)	49,3	59,4	48,0
Deductions from calculation basis	0,0	0,0	0,0
Total calculation basis	21.490,8	18.818,0	20.471,4
CET1 capital ratio*	17,00 %	17,53 %	17,96 %
Tier 1 capital ratio*	18,62 %	19,39 %	19,67 %
Capital adequacy*	20,48 %	21,22 %	21,34 %
Buffers			
Capital conservation buffer	537,3	470,4	511,8
Countercyclical buffer	214,9	188,2	204,7
Systemic risk buffer	644,7	564,5	614,1
Buffer for systemically important banks	0,0	0,0	0,0
Total buffer requirements	1.396,9	1.223,2	1.330,6
Available buffer capital	2.683,1	2.452,6	2.731,9
Leverage ratio	8,07 %	8,50 %	9,03 %

* In connection with the allocation of the profit for the year for 2020, the Board of Trustees resolved on 25 March 2021 to grant the Board of Directors special authorisation to make a decision on paying out a dividend of up to NOK 20.7 million (up to NOK 1.00 per equity certificate) and grants for good causes totalling up to NOK 20.2 million at the earliest on 01.10.2021 and by no later than the annual meeting of the Board of Trustees in 2022, if the capital situation and the authorities' guidelines so permit. On 26 October 2021, the Board of Directors resolved to apply its authorisation and pay a dividend of NOK 20.7 million (NOK 1.00 per equity certificate) and allocate NOK 20.2 million to good causes. The agreed amounts have been deducted when calculating the Group's capital adequacy at 30.09.2021 and 31.12.2020.

Note 4 - Losses on loans, unused credit and guarantees

Loss costs

	3. kvartal 2021	3. kvartal 2020	1.1.-30.9.2021	1.1.-30.9.2020	31.12.2020
Change in model-based provisions, Stage 1	-0,9	-0,4	0,5	2,4	3,6
Change in model-based provisions, Stage 2	-1,2	0,6	-3,1	2,6	3,3
Change in model-based provisions, Stage 3	-0,1	-0,3	0,8	-0,2	-0,3
Increase in existing individual loss provisions	2,1	1,6	7,8	6,2	6,1
New individual loss provisions	0,9	1,3	5,3	7,3	10,1
Established losses covered by previous individual loss provisions	1,2	1,7	3,2	4,5	6,0
Reversals of previous individual loan loss provisions	-1,9	-1,9	-9,0	-8,5	-10,3
Established losses not covered by previous individual loan loss provisions	0,1	0,4	0,3	0,9	1,0
Recovery of previously identified losses	-1,9	-1,0	-4,2	-3,6	-4,6
Amortisation costs for the period	0,0	0,0	0,0	0,0	0,0
Losses on loans, unused credit and guarantees	-1,7	2,0	1,5	11,4	15,1
- of which losses on lending to retail customers of the parent bank and m	-1,6	-0,5	0,2	-0,3	-0,1
- of which losses on lending to business customers	-1,3	0,0	-3,1	3,2	3,7
- of which losses on lending AS Financiering	1,3	2,5	4,5	8,2	11,1
- of which losses on unused credit and guarantees	-0,1	-0,1	-0,1	0,2	0,4

Changes in loss provisions

Group - 30.09.2021	Loss given default / loss given default / expected credit 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	2,9	-2,1	-0,8	0,0
Transferred to Stage 2	-0,7	1,3	-0,6	0,0
Transferred to Stage 3	-0,2	-1,1	1,2	0,0
Net change	-4,1	-0,2	8,0	3,8
New losses	10,0	0,9	0,6	11,5
Deducted losses	-6,4	-1,8	-3,5	-11,7
Change in risk model/parameters	-1,1	-0,1	-0,1	-1,3
Closing balance at 30.09.2021	23,9	9,2	94,4	127,5
- of which loss provisions on lending to retail customers of the parent bank and mortgage	7,9	2,0	3,8	13,7
- of which loss provisions on lending to business customers	6,3	2,9	0,5	9,8
- of which loss provisions on lending AS Financiering	8,9	4,3	89,8	103,0
- of which loss provisions on unused credit and guarantees	0,8	0,0	0,3	1,1
Model-calculated loss provisions	23,9	9,2	1,1	34,1
Individual loss provisions	0,0	0,0	93,4	93,4

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

Group - 30.09.20	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	2,5	-1,6	-0,9		0,0
Transferred to Stage 2	-0,8	2,1	-1,3		0,0
Transferred to Stage 3	-0,1	-0,5	0,6		0,0
Net change	-3,8	2,1	9,0		7,3
New losses	8,1	0,6	0,7		9,3
Deducted losses	-6,0	-1,6	-3,5		-11,0
Change in risk model/parameters	2,5	1,4	0,1		4,0
Closing balance as at 30.09.20	22,2	11,6	88,6		122,3
- of which loss provisions on lending to retail customers of the parent bank and mortgage	6,8	1,8	3,8		12,4
- of which loss provisions on lending to business customers	8,1	3,6	0,4		12,1
- of which loss provisions on lending AS Financiering	6,6	6,0	84,2		96,7
- of which loss provisions on unused credit and guarantees	0,7	0,2	0,3		1,1
Model-calculated loss provisions	22,2	11,6	0,3		34,1
Individual loss provisions	0,0	0,0	88,2		88,2

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 - 30.09.2021	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	158,8	-154,0	-4,8	0,0
Transferred to Stage 2	-281,8	291,8	-10,1	0,0
Transferred to Stage 3	-29,0	-57,3	86,4	0,0
Net change	313,5	-50,3	-27,8	235,5
New loans	19.127,3	84,7	9,0	19.221,0
Deducted lending	-14.511,7	-172,7	-26,1	-14.710,5
Closing balance at 30.09.2021	39.024,2	703,5	227,2	39.954,8
- of which lending to retail customers of the parent bank and mortgage credit company	32.562,9	282,9	39,2	32.885,0
- of which lending to business customers	4.372,2	157,1	9,7	4.539,0
- of which lending AS Finansiering	2.089,0	263,4	178,3	2.530,7
- of which loans with forbearance	0,0	146,9	24,5	171,4

Group - 30.09.20	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	131,4	-127,4	-3,9	0,0
Transferred to Stage 2	-352,3	362,9	-10,6	0,0
Transferred to Stage 3	-20,4	-31,8	52,2	0,0
Net change	200,4	-87,0	-22,2	91,2
New loans	13.114,3	70,9	4,1	13.189,3
Deducted lending	-15.877,7	-173,4	-32,8	-16.083,9
Closing balance as at 30.09.20	30.114,7	794,8	202,0	31.111,6
- of which lending to retail customers of the parent bank and mortgage credit company	23.883,3	169,9	30,8	24.084,1
- of which lending to business customers	4.482,2	257,9	9,0	4.749,2
- of which lending AS Finansiering	1.749,2	367,0	162,2	2.278,4
- of which loans with forbearance	0	65,5	1,1	66,6

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 Finansiering	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 Q3 2021 is considered to be improved compared with what was assumed in the preparation of the annual financial statements for 2020, but 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 has changed at the end of Q3 2021 compared with what was used in the preparation of the annual financial statements for 2020. Across all segments, the probability of a pessimistic scenario has reduced to 25 per cent from the previous figure of 30 per cent, while the expected scenario has accordingly increased to 75 per cent from the previous figure of 70 per cent. The impact of this change amounts to a NOK 1.6 million reduction in loan loss provisions in Q3 2021, of which NOK 1.6 million relates to reduced loan loss provisions in stage 1 and stage 2. 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.

30.09.2021 – Group	Probability weight	Stage 1	Stage 2	Stage 3	Total
Optimistic scenario	0 %	14,6	5,6	94,0	114,2
Expected scenario	75 %	18,2	7,0	94,2	119,4
Pessimistic scenario	25 %	40,9	15,7	95,2	151,8
Loan loss provisions (probability-weighted)	100 %	23,9	9,2	94,4	127,5

Note 5 - Non-performing commitments, customers

	30.09.2021	30.09.2020	31.12.2020
Payment defaults in excess of 90 days			
Business	6,6	9,5	9,7
+ Retail	5,9	26,1	14,1
+ AS Financiering	160,8	162,2	169,5
= Gross payment defaults	173,3	197,8	193,3
- Loss provisions	93,6	88,6	89,6
= Net payment defaults	79,6	109,2	103,7
Other non-performing commitments			
Business	3,6	0,5	0,5
+ Retail	33,3	4,7	7,6
+ AS Financiering	17,5	0,0	0,0
= Gross other non-performing commitments	54,3	5,2	8,1
- Loss provisions	0,8	0,0	0,0
= Net other non-performing commitments	53,5	5,2	8,1
Non-performing commitments			
Business	10,2	10,0	10,2
+ Retail	39,2	30,8	21,7
+ AS Financiering	178,3	162,2	169,5
= Gross non-performing commitments	227,6	203,0	201,4
- Loss provisions	94,4	88,6	89,6
= Net non-performing commitments	133,2	114,4	111,8

With effect as of 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 26.7 million as at 30.09.2021. Such continuing commitments account for most of the increase in net non-performing commitments as at 30.09.2021 compared to both 31.12.2020 and 30.09.2020.

Note 6 - Deposits from customers by sector and industry

	30.09.2021	30.09.2020	31.12.2020
Salaried employees	11.009,8	8.429,3	8.440,4
Public administration	637,5	596,3	621,3
Agriculture, forestry and fishing, etc.	94,6	116,6	106,4
Industry and mining, power and water supply	972,8	892,9	862,2
Building and construction	582,2	539,5	568,6
Wholesale and retail trade, hotels and restaurants	514,1	452,7	449,8
Transport and communications	207,9	472,4	476,5
Business financial services	1.866,2	1.234,1	1.362,9
Other service industries	899,7	848,8	889,5
Real estate sales and operation	951,3	832,4	944,6
Abroad	116,7	127,1	123,0
Total customer deposits	17.852,6	14.542,0	14.845,1

Note 7 - Loans to customers by sector and industry

	30.09.2021	30.09.2020	31.12.2020
Salaried employees	35.594,1	26.647,3	30.497,6
Public administration	7,3	0,0	0,0
Agriculture, forestry and fishing, etc.	93,8	102,0	104,7
Industry and mining, power and water supply	58,6	78,8	65,2
Building and construction	564,7	418,8	436,3
Wholesale and retail trade, hotels and restaurants	128,9	122,5	119,1
Transport and communications	33,1	43,7	40,2
Business financial services	132,1	218,9	214,8
Other service industries	700,7	808,6	808,1
Real estate sales and operation	2.872,7	3.006,1	3.245,5
Abroad	33,8	40,8	36,1
Gross lending to customers	40.219,8	31.487,6	35.567,9
Loss provisions on loans	-126,4	-121,2	-124,1
Net lending to customers	40.093,4	31.366,3	35.443,8

Note 8 - Geographical distribution of lending, customers

	30.09.2021	30.09.2020	31.12.2020
Drammen	7.546,0	7.626,5	7.598,9
Øvre Eiker	2.042,7	2.099,2	2.075,5
Asker/Bærum	6.030,0	4.545,4	5.275,9
Rest of Viken	7.854,8	6.389,4	6.927,2
Oslo	9.180,1	5.792,4	7.617,5
Vestfold/Telemark	3.423,1	2.825,4	3.043,1
Rest of Norway	4.109,3	2.168,5	2.993,7
Abroad	33,8	40,8	36,1
Gross lending to customers	40.219,8	31.487,6	35.567,9
Loss provisions on loans	-126,4	-121,2	-124,1
Net lending to customers	40.093,4	31.366,3	35.443,8

Note 9 - Credit risk

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

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

30.09.2021	Gross lending**	Guarantee liabilities	Overdraft facilities	Total commitments		Commitments Stage 1	Loss provisions		Loss provisions		Loss provisions Stage 3*
				commitments	%		Stage 1	Stage 2	Stage 2	Stage 3	
A	17.031,0	11,4	2.153,8	19.196,2	44,0	19.161,0	1,1	35,3	0,0	0,0	0,0
B	9.496,0	11,3	749,4	10.256,7	23,5	10.207,7	2,2	49,0	0,0	0,0	0,0
C	5.623,2	19,8	243,3	5.886,4	13,5	5.817,0	2,9	69,4	0,1	0,0	0,0
D	4.187,9	35,4	145,2	4.368,5	10,0	4.288,6	4,8	80,0	0,3	0,0	0,0
E	891,8	5,4	24,5	921,7	2,1	839,0	1,8	82,7	0,5	0,0	0,0
F	1.321,9	1,5	3,7	1.327,1	3,0	1.234,6	2,4	92,5	0,8	0,0	0,0
G	939,0	0,3	0,4	939,7	2,2	828,9	4,6	110,8	1,5	0,0	0,0
H	454,2	0,0	0,5	454,8	1,0	288,5	3,2	166,2	3,6	0,0	0,0
I	46,0	0,0	1,5	47,5	0,1	23,5	0,9	22,1	2,3	2,0	0,0
J	62,7	0,5	0,0	63,2	0,1	0,0	0,0	0,0	0,0	63,2	0,8
K	165,8	0,5	0,0	166,2	0,4	0,0	0,0	0,0	0,0	166,2	93,6
Unallocated	0,2	0,0	0,0	0,2	0,0	0,2	0,0	0,0	0,0	0,0	0,0
Total	40.219,8	86,0	3.322,5	43.628,3	100,0	42.688,9	23,9	707,9	9,2	231,4	94,4

* Stage 3 provisions include individually assessed loan loss provisions of NOK 93.4 million.

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

30.09.2020	Gross lending**	Guarantee liabilities	Overdraft facilities	Total commitments		Commitments Stage 1	Loss provisions		Loss provisions		Loss provisions Stage 3*
				commitments	%		Stage 1	Stage 2	Stage 2	Stage 3	
A	13.167,4	9,4	1.150,3	14.327,1	43,0	14.312,5	0,8	14,6	0,0	0,0	0,0
B	5.170,8	11,9	223,1	5.405,8	16,2	5.383,9	1,3	21,9	0,0	0,0	0,0
C	4.965,7	28,5	166,0	5.160,2	15,5	5.136,5	2,9	23,8	0,0	0,0	0,0
D	4.034,3	17,2	142,1	4.193,6	12,6	4.180,8	4,9	12,8	0,0	0,0	0,0
E	1.284,1	10,3	30,2	1.324,5	4,0	1.111,5	2,7	213,0	1,4	0,0	0,0
F	1.179,0	1,3	8,8	1.189,2	3,6	1.070,2	2,7	119,0	0,8	0,0	0,0
G	1.148,2	0,4	2,8	1.151,4	3,5	934,5	3,8	216,9	1,9	0,0	0,0
H	297,3	0,0	0,4	297,7	0,9	132,0	2,2	165,8	5,3	0,0	0,0
I	38,1	0,0	0,1	38,2	0,1	18,6	0,8	19,6	2,2	0,0	0,0
J	34,4	0,5	0,0	34,9	0,1	0,0	0,0	0,0	0,0	34,9	0,0
K	167,9	0,5	0,0	168,4	0,5	0,0	0,0	0,0	0,0	168,4	88,6
Unallocated	0,2	0,0	0,0	0,2	0,0	0,2	0,1	0,0	0,0	0,0	0,0
Total	31.487,6	79,9	1.723,9	33.291,4	100,0	32.280,6	22,2	807,4	11,6	203,3	88,6

* Group 3 provisions include individually assessed loss write-downs of NOK 88.2 million.

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

Note 10 - Classification of financial instruments

30.09.2021	Fair value through profit or loss			Total
	Mandatory	Designated	Measured at amortised cost*	
Cash and receivables from central banks	0,0	0,0	346,8	346,8
Net loans to and receivables from financial institutions	0,0	0,0	9,3	9,3
Net loans to and receivables from customers	0,0	265,9	39.827,5	40.093,4
Certificates and bonds	6.953,6	0,0	0,0	6.953,6
Shares and units	810,7	0,0	0,0	810,7
Financial derivatives**	247,3	0,0	0,0	247,3
Total financial assets	8.011,7	265,9	40.183,5	48.461,2
Liabilities to financial institutions	0,0	0,0	300,8	300,8
Deposits from and liabilities to customers	0,0	0,0	17.852,6	17.852,6
Financial derivatives**	16,0	0,0	0,0	16,0
Securities issued	0,0	0,0	24.962,9	24.962,9
Lease liabilities	0,0	0,0	41,8	41,8
Subordinated loan capital	0,0	0,0	400,2	400,2
Total financial liabilities	16,0	0,0	43.558,3	43.574,3

* Includes hedged debt

** Includes derivatives for which hedge accounting is used

30.09.2020	Fair value through profit or loss			Total
	Mandatory	Designated	Measured at amortised cost*	
Cash and receivables from central banks	0,0	0,0	441,0	441,0
Net loans to and receivables from financial institutions	0,0	0,0	12,3	12,3
Net loans to and receivables from customers	0,0	375,9	30.990,4	31.366,3
Certificates and bonds	9.316,0	0,0	0,0	9.316,0
Shares and units	814,8	0,0	0,0	814,8
Financial derivatives**	552,5	0,0	0,0	552,5
Total financial assets	10.683,3	375,9	31.443,7	42.502,9
Liabilities to financial institutions	0,0	0,0	601,4	601,4
Deposits from and liabilities to customers	0,0	0,0	14.542,0	14.542,0
Financial derivatives**	25,3	0,0	0,0	25,3
Securities issued	0,0	0,0	21.950,7	21.950,7
Lease liabilities	0,0	0,0	47,2	47,2
Subordinated loan capital	0,0	0,0	400,0	400,0
Total financial liabilities	25,3	0,0	37.541,3	37.566,6

* 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.

30.09.2021	Level 1	Level 2	Level 3	Total
Fair value				
Loans to and receivables from customers	0,0	0,0	265,9	265,9
Certificates and bonds	0,0	6.953,6	0,0	6.953,6
Shares and units	69,9	0,0	740,8	810,7
Financial derivatives	0,0	247,3	0,0	247,3
Total assets at fair value	69,9	7.201,0	1.006,7	8.277,6
Financial derivatives	0,0	16,0	0,0	16,0
Total liabilities at fair value	0,0	16,0	0,0	16,0

Movements in level 3 for items valued at fair value	Fixed interest		Shares through profit or loss	Total
	loans			
Balance sheet as at 01.01.2021		359,1	746,9	1.106,0
Net realised gains		0,0	-0,1	-0,1
Additions		54,0	0,1	54,1
Disposals		145,8	8,7	154,5
Changes in value		-1,4	2,6	1,2
Transferred from levels 1 and 2		0,0	0,0	0,0
Balance sheet at end of period		265,9	740,8	1.006,7

30.09.2020	Level 1	Level 2	Level 3	Total
Fair value				
Loans to and receivables from customers	0,0	0,0	375,9	375,9
Certificates and bonds	0,0	9.316,0	0,0	9.316,0
Shares and units	35,8	0,0	779,0	814,8
Financial derivatives	0,0	522,5	0,0	522,5
Total assets at fair value	35,8	9.838,5	1.154,9	11.029,2
Financial derivatives	0,0	25,3	0,0	25,3
Total liabilities at fair value	0,0	25,3	0,0	25,3

Movements in level 3 for items valued at fair value	Fixed interest		Shares through profit or loss	Total
	loans			
Balance sheet as at 01.01.2020		422,1	598,3	1.020,4
Net realised gains		0,0	0,0	0,0
Additions		34,8	19,8	54,6
Disposals		90,6	0,0	90,6
Changes in value		9,6	160,9	170,5
Transferred from levels 1 and 2		0,0	0,0	0,0
Balance sheet at end of period		375,9	779,0	1.154,9

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

Note 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 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 12 - Securities issued and subordinated loan capital

Securities issued	30.09.2021	30.09.2020	31.12.2020
Bonds, nominal value	24.648,0	21.377,0	22.717,0
Value adjustments (incl. excess/deficit value)	188,5	417,3	314,0
Accrued interest	126,4	156,4	79,9
Total securities issued	24.962,9	21.950,7	23.111,0

Change for securities issued	30.09.2021	Issued	Due/redeemed	Change in own holdings	Other changes incl. currency	31.12.2020
Ordinary senior bonds, nominal value	7.098,0	400,0	847,0	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)	188,5	0,0	0,0	0,0	-125,6	314,1
Accrued interest	126,4	0,0	0,0	0,0	46,5	79,9
Total securities issued	24.962,9	5.300,0	3.147,0	222,0	-79,1	23.111,0

Change in subordinated loan capital	30.09.2021	Issued	Due/redeemed	Change own holding	Other changes incl. currency	31.12.2020
Ordinary subordinated loan capital, nominal value	400,0	0,0	0,0	0,0	0,0	400,0
Value adjustments (including premium/discount)	-0,2	0,0	0,0	0,0	0,1	-0,3
Accrued interest	0,4	0,0	0,0	0,0	-0,4	0,4
Total subordinated loan capital	400,2	0,0	0,0	0,0	-0,3	400,1

Note 13 - Financial derivatives

30.09.2021	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	33,6		0,0	1,3	
Interest rate swaps (IRS)	685,0		1,6	5,6	
Total at fair value through profit or loss			1,6	6,8	
Used for hedge accounting					
Interest rate swaps (IRS)	5.725,0		245,7	9,2	0,0
Securities issued		5.965,2			128,0
Total used for hedge accounting		5.965,2	245,7	9,2	128,0
Total		5.965,2	247,3	16,0	128,0

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 a hedging object includes value adjustment and accrued interest.

30.09.2020	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	40,9		0,0	1,8	
Interest rate swaps (IRS)	825,0		0,0	23,6	
Total at fair value through profit or loss			0,0	25,3	
Used for hedge accounting					
Interest rate swaps (IRS)	7.175,0		552,5	0,0	0,0
Securities issued		7.743,8			412,0
Total used for hedge accounting		7.743,8	552,5	0,0	412,0
Total		7.743,8	552,5	25,3	412,0

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 a hedging object includes value adjustment and accrued interest.

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

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

Note 14 - Financial derivatives - offsetting

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

Exposure as at 30.09.2021	Gross amount	Offset	Recognised amount	Amount subject to net settlement	Exchanged collateral security	Amount in accordance with any net settlement
Financial derivatives, assets	247,3	0,0	247,3	-14,3	-171,4	61,7
Financial derivatives, liabilities	16,0	0,0	16,0	-14,3	-5,3	-3,5
Exposure as at 30.09.2020						
Financial derivatives, assets	552,5	0,0	552,5	-19,5	-380,3	152,7
Financial derivatives, liabilities	25,3	0,0	25,3	-19,5	-6,0	-0,2
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

	3. kvartal 2021	3. kvartal 2020	1.1.-30.09.2021	1.1.-30.09.2020	Full year 2020
Interest income from loans to and receivables from financial institutions	0,0	0,0	0,0	1,7	1,7
Interest income from loans to customers	227,7	223,4	666,4	781,9	1.002,3
Interest income from certificates and bonds	13,9	22,1	41,7	99,7	117,4
Total interest income	241,5	245,5	708,1	883,3	1.121,4
Interest costs on liabilities to financial institutions	1,5	1,7	4,8	6,5	8,5
Interest on deposits from customers	21,8	19,6	61,7	88,6	106,5
Interest on securities issued	47,7	52,2	157,9	300,8	349,3
Interest on subordinated loan capital	1,7	1,7	5,3	7,4	9,2
Norwegian Banks Guarantee Fund levy	3,3	4,0	10,0	12,0	15,9
Total interest costs	76,0	79,3	239,6	415,2	489,3
Net interest income	165,5	166,3	468,5	468,1	632,1

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

	3. kvartal 2021	3. kvartal 2020	1.1.-30.09.2021	1.1.-30.09.2020	Full year 2020
Net changes in value and gains/losses on certificates and bonds	-6,5	-4,3	-16,5	-2,7	-10,0
Net value change and gains/losses on shares	2,3	3,8	8,3	165,4	161,5
Net changes in value and gains/losses on fixed-interest loans	-2,0	-0,6	-6,4	9,6	6,8
Net changes in value and gains/losses on other financial instruments	3,4	-3,9	13,9	-32,5	-22,0
Net value change and gains/losses on financial instruments	-2,8	-4,9	-0,7	140,0	136,3

Note 17 - Operating costs

	3. kvartal 2021	3. kvartal 2020	1.1.-30.09.2021	1.1.-30.09.2020	Full year 2020
Payroll costs incl. AGA and Financial Activity Tax	42,6	39,4	114,1	105,3	146,1
Pension costs	4,1	3,9	12,1	12,1	16,5
Other personnel-related costs	0,8	0,5	3,7	3,7	4,7
IT costs	10,8	11,0	31,8	31,6	42,9
Other administrative costs	3,8	3,0	12,4	10,5	14,5
Depreciation/write-downs/changes in value for non-financial assets	6,9	6,9	20,7	19,9	27,3
Operating costs, properties and premises	1,9	2,2	6,0	7,1	8,7
Other operating costs	8,9	5,3	25,9	24,0	35,2
Total operating costs	79,5	72,1	226,6	214,1	296,0

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

Guarantee liability	30.09.2021	30.09.2020	31.12.2020
Payment guarantees	38,6	11,8	35,4
Contract guarantees	26,2	36,7	33,3
Loan guarantees	12,6	21,6	12,6
Other guarantee liabilities	8,5	9,8	9,7
Total guarantees to customers	86,0	79,9	91,0

Pledges of security	30.09.2021	30.09.2020	31.12.2020
Bonds, nominal value, pledged as security for borrowing facilities at Norges Bank	1.340,0	1.520,0	1.520,0
Total pledges of security	1.340,0	1.520,0	1.520,0

The parent bank has issued a revolving credit facility vis-à-vis Sparebanken Øst Boligkreditt AS which guarantees timely payment of outstanding covered bonds which expire during the next 12 months, including the coupon rate, principal and derivative contracts entered into to hedge outstanding covered bonds. In addition to the revolving credit facility, Sparebanken Øst Boligkreditt AS has a NOK 3.0 billion credit line from the parent bank. The parent bank's holdings of covered bonds had a face value of NOK 1,000.0 million as at 30.09.2021, NOK 1,163.0 million as at 30.09.2020 and NOK 778.0 million as at 31.12.2020 and are not included in the table below.

Preferential rights	30.09.2021	30.09.2020	31.12.2020
Preferential rights in accordance with Section 11-15 of the Norwegian Financial Institutions Act (nominal value)	18.150,0	13.855,0	15.950,0
Total preferential rights	18.150,0	13.855,0	15.950,0

Note 19 - Equity certificates

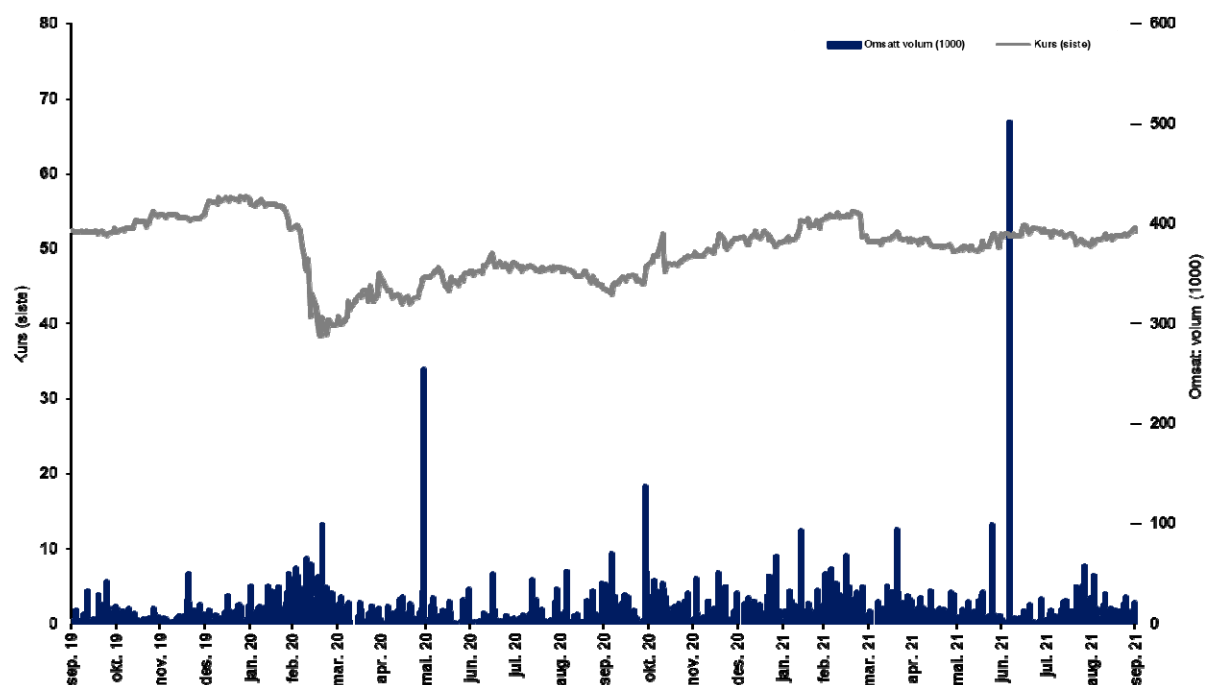
Ownership fraction, parent bank

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

* In connection with the allocation of the profit for the year for 2020, the Board of Trustees resolved on 25 March 2021 to grant the Board of Directors special authorisation to make a decision on paying out a dividend of up to NOK 20.7 million (up to NOK 1.00 per equity certificate) and grants for good causes totalling up to NOK 20.2 million at the earliest on 01.10.2021 and by no later than the annual meeting of the Board of Trustees in 2022, if the capital situation and the authorities' guidelines so permit. On 26 October 2021, the Board of Directors resolved to apply its authorisation and pay a dividend of NOK 20.7 million (NOK 1.00 per equity certificate) and allocate NOK 20.2 million to good causes. The agreed amounts have been deducted when calculating the ownership fraction at 01.01.2021 and ownership fractions will not change as a result of this decision.

Note 19 - Equity certificates (cont.)

Sparebanken Øst (SPOG)



The 20 largest equity certificate holders as at 30.09.2021

Name	Number	%	Name	Number	%
1 MP Pensjon	1.657.815	8,00 %	11 Skandinaviska Enskilda Banken	184.334	0,89 %
2 VPF Eika Egenkapitalbevis	1.001.285	4,83 %	12 Profond AS	162.107	0,78 %
3 Directmarketing Invest AS	999.500	4,82 %	13 Johansen, Kjell Petter	152.000	0,73 %
4 Cape Invest AS	640.000	3,09 %	14 Morgan Stanley & Co. Intern.	138.254	0,67 %
5 Foretakskonsulenter AS	507.841	2,45 %	15 Niwjo Invest AS	132.172	0,64 %
6 Hansen, Asbjørn Rudolf	445.502	2,15 %	16 Seriana AS	130.931	0,63 %
7 Jag Holding AS	303.897	1,47 %	17 Teigen, Anne Kristine	121.025	0,58 %
8 Wenaasgruppen AS	273.000	1,32 %	18 Nordnet Livsforsikring AS	114.203	0,55 %
9 BKK Norwegian Public Service P	250.000	1,21 %	19 Døskeland, Børge	109.445	0,53 %
10 AS Andersen Eiendomsselskap	238.900	1,15 %	20 Helge Arnfinn Løkke Dødsbo	109.133	0,53 %

Income Statement - Parent Bank

(Amounts in NOK millions)	3. kvartal 2021	3. kvartal 2020	1.1.-30.09.2021	1.1.-30.09.2020	Full year 2020
Interest income	124,1	124,9	363,7	482,5	605,1
Interest costs	47,7	50,8	145,7	239,3	287,5
Net interest income	76,4	74,1	218,0	243,2	317,5
Commission income and income from banking services	25,7	24,6	74,0	74,3	99,4
Commission costs and costs for banking services	4,6	4,8	13,0	15,0	20,1
Dividend	0,2	0,1	71,4	5,4	174,6
Net changes in value and gains/losses on financial instruments	-2,6	3,0	-0,9	149,2	143,9
Other operating income	0,8	2,0	4,7	5,5	7,2
Net other operating income	19,5	24,8	136,2	219,3	405,0
Payroll, etc.	42,4	37,8	116,9	105,4	146,2
Administration costs	11,9	11,1	36,1	33,6	45,3
Depreciation/write-downs/changes in value for non-financial assets	6,6	6,7	20,2	19,9	26,7
Other operating costs	8,3	6,0	23,8	25,0	33,7
Total operating costs	69,3	61,6	196,9	183,8	252,0
Profit/loss before losses	26,6	37,3	157,2	278,7	470,5
Losses on loans, unused credit and guarantees	-2,7	0,0	-3,3	2,9	3,4
Profit/loss before tax costs	29,3	37,4	160,5	275,9	467,1
Tax costs	5,9	8,4	19,7	26,3	32,2
Profit/loss after tax	23,4	29,0	140,8	249,6	434,9
Hybrid capital owners' share of the result	3,4	3,5	10,4	12,5	15,9
Equity certificate holders' and primary capital share of profits	20,0	25,5	130,4	237,1	419,0
Profit/loss after tax	23,4	29,0	140,8	249,6	434,9
Earnings per equity certificate	0,29	0,39	1,86	3,59	6,34
Diluted earnings per equity certificate	0,29	0,39	1,86	3,59	6,34

Other comprehensive income - parent bank

(Amounts in NOK millions)	3. kvartal 2021	3. kvartal 2020	1.1.-30.09.2021	1.1.-30.09.2020	Full year 2020
Profit/loss after tax	23,4	29,0	140,8	249,6	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	-0,5	0,1	0,1	0,0	0,2
Tax related to items that can be reclassified	0,1	0,0	0,0	0,0	0,0
Comprehensive income	23,0	29,1	140,9	249,6	433,1

Balance Sheet - Parent Bank

(Amounts in NOK millions)	30.09.2021	30.09.2020	31.12.2020
Assets			
Cash and receivables from central banks	346,7	441,0	409,4
Loans to and receivables from financial institutions	2.605,7	2.320,4	2.232,8
Loans to and receivables from customers	18.319,1	13.846,9	16.436,7
Certificates and bonds	7.656,7	10.273,5	7.217,0
Shares and units	810,7	814,8	811,0
Financial derivatives	113,3	305,5	200,9
Ownership interests in Group companies	1.760,0	1.561,0	1.560,0
Deferred tax asset	7,7	6,8	7,7
Tangible fixed assets	90,1	88,4	88,8
Lease rights	72,1	80,2	77,1
Other assets	8,4	7,6	8,5
Prepaid non-accrued costs and income earned, but not received	25,6	19,0	14,6
Total assets	31.816,1	29.765,2	29.064,5
Liabilities and equity			
Liabilities to financial institutions	1.389,3	1.206,2	1.470,7
Deposits from and liabilities to customers	17.926,6	14.650,2	14.921,2
Financial derivatives	16,0	25,3	17,9
Securities issued	7.608,6	9.001,3	7.755,8
Other liabilities	260,7	350,7	328,5
Accruals and deferred income	31,2	33,5	34,0
Other provisions and liabilities	61,0	65,8	61,3
Lease liabilities	73,7	81,4	78,4
Subordinated loan capital	400,2	400,0	400,1
Total liabilities	27.767,4	25.814,4	25.068,0
Paid-up equity	595,1	595,1	595,1
Hybrid capital	351,7	351,7	351,7
Retained earnings	3.101,9	3.004,0	3.049,7
Total equity	4.048,7	3.950,8	3.996,5
Total liabilities and equity	31.816,1	29.765,2	29.064,5

Changes in equity - parent bank

(Amounts in NOK millions)	Paid-up equity		Hybrid capital			Retained earnings				
	Total equity	Equity certificates	Share additional reserve	Tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for re adjustment		Retained profit
								unrealised gains	reclass. income	
30.09.2021										
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	140,8	0,0	0,0	10,4	0,0	0,0	0,0	0,0	0,0	130,4
Change in lending at fair value through comprehensive income	0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,1	0,0
Actuarial gains and losses on defined-benefit plan:	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Comprehensive income	140,9	0,0	0,0	10,4	0,0	0,0	0,0	0,0	0,1	130,4
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	-10,5	0,0	0,0	-10,5	0,0	0,0	0,0	0,0	0,0	0,0
Equity at 30.09.2021	4.048,7	207,3	387,8	351,7	340,1	2.158,4	38,1	434,7	0,2	130,4

In connection with the allocation of the profit for the year for 2020, the Board of Trustees resolved on 25 March 2021 to grant the Board of Directors special authorisation to make a decision on paying out a dividend of up to NOK 20.7 million (up to NOK 1.00 per equity certificate) and grants for good causes totalling up to NOK 20.2 million at the earliest on 01.10.2021 and by no later than the annual meeting of the Board of Trustees in 2022, if the capital situation and the authorities' guidelines so permit. On 26 October 2021, the Board of Directors resolved to apply its authorisation and pay a dividend of NOK 20.7 million (NOK 1.00 per equity certificate) and allocate NOK 20.2 million to good causes. At the end of Q3 2021 and until the date of the decision on 26 October 2021, the approved dividend payable to equity certificate holders is recognised as part of the equalisation fund and the allocation of funds to good causes is recognised as part of the primary capital.

(Amounts in NOK millions)	Paid-up equity		Hybrid capital			Retained earnings				
	Total equity	Equity certificates	Share additional reserve	Tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for re adjustment		Retained profit
								unrealised gains	reclass. income	
30.09.2020										
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	249,6	0,0	0,0	12,5	0,0	0,0	0,0	0,0	0,0	237,1
Change in lending at fair value through comprehensive income	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	249,6	0,0	0,0	12,5	0,0	0,0	0,0	0,0	0,0	237,1
Interest paid on hybrid capital	-13,2	0,0	0,0	-13,2	0,0	0,0	0,0	0,0	0,0	0,0
Equity as at 30.09.2020	3.950,8	207,3	387,8	351,7	405,7	2.045,5	38,1	277,5	0,1	237,1

(Amounts in NOK millions)	Paid-up equity		Hybrid capital			Retained earnings				
	Total equity	Equity certificates	Share additional reserve	Tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for re adjustment		Retained profit
								unrealised gains	reclass. income	
31.12.2020										
Equity as at 31.12.2019	3.714,3	207,3	387,8	352,4	405,7	2.045,5	38,1	277,5	0,0	0,0
Ordinary result	434,9	0,0	0,0	15,9	82,2	179,5	0,0	157,3	0,0	0,0
Change in lending at fair value through comprehensive income	0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,1	0,0
Actuarial gains and losses on defined-benefit 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

		30.09.2021	30.09.2020	31.12.2020
Operating activities				
Profit before tax		160,5	275,9	467,1
Adjusted for:				
Change in net interest income earned and accrued interest costs		43,7	57,6	7,1
Net payment/disbursement of loans to financial institutions		-377,0	-49,1	37,7
Net receipts/payments of loans to customers		-1.882,1	3.120,2	531,0
Change in certificates and bonds		-441,0	-3.078,9	-29,1
Changes in value of equities and units		-8,2	-165,6	-161,5
Change in other assets in connection with operations		-21,9	21,7	16,9
Net receipts/disbursement of borrowing from financial institutions		217,5	284,0	550,2
Net receipts/disbursement of deposits from customers		2.963,2	-285,9	41,8
Change in other operating liabilities		-67,1	206,1	108,4
Non-cash items included in profit before tax costs		17,8	23,1	30,0
Net gain/loss from investing activities		-0,6	-0,3	-0,4
Net gain/loss from financing activities		0,1	-0,9	1,3
Taxes paid for the period		-38,2	-61,1	-61,0
Net cash flow from operating activities	A	566,7	346,7	1.539,5
Investing activities				
Payments on purchases of tangible fixed assets		-12,3	-9,6	-13,7
Proceeds from sale of fixed assets		0,8	0,7	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		-200,0	-240,0	-240,0
Net cash flow from investing activities	B	-203,0	-268,5	-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		-847,0	-230,4	-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		-10,5	-13,2	-16,6
Net cash flow from financing activities	C	-430,4	56,4	-1.162,4
Net change in cash and cash equivalents	A+B+C	-66,8	134,7	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		356,0	453,1	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		30.09.2021	30.09.2020	31.12.2020
Interest payments received		365,8	498,6	628,9
Interest payments made		104,0	197,3	303,5
Dividends received		71,4	5,4	174,6

Key Figures, Group

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Profitability					
1. Return on equity*	6,44	13,49	6,19	6,82	7,23
2. Net interest income as a % of average total assets	1,35	1,28	1,36	1,50	1,53
3. Profit/loss after tax as a % of average total assets	0,58	1,19	0,58	0,66	0,70
4. Costs as a % of average total assets	0,65	0,57	0,71	0,75	0,66
5. Costs as a % of income (before losses on loans/guarantees)*	46,85	29,39	47,92	45,96	41,88
6. Costs as a % of income (excl. return on financial investments)*	46,14	42,38	48,57	46,69	40,75
Balance sheet figures					
7. Net lending to customers	40.093,4	40.425,6	38.441,0	35.443,8	31.366,3
8. Lending growth (quarter)	-0,82	5,16	8,46	13,00	-2,02
9. Deposits	17.852,6	17.318,3	15.748,6	14.845,1	14.542,0
10. Deposit growth (quarter)	3,09	9,97	6,09	2,08	-2,08
11. Average equity	4.204,2	4.101,1	4.001,6	3.997,3	3.987,3
12. Average total assets	48.805,3	47.659,8	45.236,2	43.404,4	43.219,6
Loss provisions on impaired and non-performing commitments					
13. Losses as a % of net lending to customers (OB)*	-0,02	0,01	0,03	0,05	0,02
14. Loss provisions as a % of gross lending to customers*	0,32	0,32	0,33	0,35	0,39
15. Net payment defaults exceeding 90 days as a % of net lending	0,20	0,21	0,26	0,29	0,35
16. Other net non-performing commitments (Stage 3) as a % of net lending	0,13	0,18	0,06	0,02	0,02
Financial strength					
17. CET1 capital ratio incl. 50% of retained earnings (%)	17,62	17,26	17,75	17,96	18,51
18. CET1 capital ratio (%)	17,00	16,79	17,61	17,96	17,53
19. Tier 1 capital ratio (%)	18,62	18,41	19,28	19,67	19,39
20. Capital adequacy ratio (%)	20,48	20,27	21,20	21,34	21,22
21. Risk-weighted volume (calculation basis)	21.490,8	21.606,6	20.879,4	20.471,4	18.818,0
22. Leverage ratio incl. 50% of retained earnings (%)	8,34	8,20	8,59	9,03	8,93
23. Leverage ratio (%)	8,07	8,00	8,53	9,03	8,50
Liquidity					
24. Deposit coverage ratio	44,53	42,84	40,97	41,88	46,36
25. LCR (%)	193,19	214,34	254,25	266,93	337,87
Branches and FTEs					
26. No. of branches	29	29	29	29	29
27. FTEs	184	183	187	184	188
Equity certificates					
28. Ownership fraction (parent bank) (%)	29,59	29,59	29,59	31,40	31,40
29. No. of equity certificates	20.731.183	20.731.183	20.731.183	20.731.183	20.731.183
30. Book equity per equity certificate*	61,49	60,52	58,55	61,18	64,53
31. Earnings per equity certificate*	0,97	1,97	0,87	1,04	1,10
32. Dividend per equity certificate	0,00	0,00	0,00	4,50	0,00
33. Turnover rate	24,17	22,27	24,90	24,98	11,83
34. Price	52,80	52,00	51,00	51,40	44,70

* Defined as alternate performance target

Definition of key figures and alternative profit targets

Profitability

- | | |
|--|--|
| 1. Return on equity* | The profit/loss that is attributable to equity certificates and primary capital as a % of average equity adjusted for hybrid capital. The key figure provides relevant information about the group's profitability by measuring its ability to generate profitability on equity. The return on equity is one of Sparebanken Øst's most important target figures. |
| 2. Net interest income as a % of average total assets | Net interest income as a % of average total assets |
| 3. Profit/loss after tax as a % of average total assets | Profit/loss after tax as a % of average total assets |
| 4. Costs as a % of average total assets | Payroll, etc., administrative costs, amortisation and other operating costs as % of average total assets |
| 5. Costs as a % of income (before losses on loans/guarantees)* | Payroll, etc., administrative costs, amortisation and other operating costs as a % of net interest income, dividend, net commission income, net value changes and gains/losses on financial instruments and other operating income. The key figure is used to provide information about the ratio between income and costs. |
| 6. Costs as a % of income (excl. return on financial investments)* | Payroll, etc., administrative costs, amortisation and other operating costs as a % of net interest income, net commission income and other operating income. The key figure is used to provide information about the ratio between income and costs. |

Balance sheet figures

- | | |
|--|---|
| 7. Net lending to customers | Gross lending minus loss provisions |
| 8. Lending growth (quarter/12 months) | Change in net lending as a % of OB net lending. Quarterly figures show growth in the quarter, while other figures show 12-month growth. |
| 9. Deposits | Customer deposits |
| 10. Deposit growth (quarter/12 months) | Change in deposits as a % of OB deposits. Quarterly figures show growth in the quarter, while other figures show 12-month growth. |
| 11. Average equity | (OB equity (adjusted for hybrid capital) less proposed dividends + CB equity (adjusted for hybrid capital) less proposed dividends)/2. |
| 12. Average total assets | Average total assets based on quarterly balance sheet figures |

Loss provisions on impaired and non-performing commitments

- | | |
|--|---|
| 13. Losses as a % of net lending to customers (OB)* | Losses as % of OB net loans to customers for the period. The key figure indicates the recognised loss in relation to net lending at the beginning of the accounting period and provides relevant information on the extent of the losses incurred by the group in relation to its lending volume. |
| 14. Loss provisions as a % of gross lending to customers* | Total loss provisions, Stages 1, 2 and 3, as a % of gross lending. This key figure provides relevant information about credit risk and is deemed useful additional information besides that stated in the loss notes. |
| 15. Net payment defaults exceeding 90 days as a % of net lending | Net payment defaults exceeding 90 days as a % of net lending. This key figure provides relevant information about credit risk and is deemed useful additional information besides that stated in the loss notes. |
| 16. Other net non-performing commitments (Stage 3) as a % of net lending | Net other non-performing commitments as a % of net lending. This key figure provides relevant information about credit risk and is deemed useful additional information besides that stated in the loss notes. |

Financial strength

- | | |
|---|--|
| 17. CET1 capital ratio incl. 50% of retained earnings (%) | CET1 capital incl. 50% of equity certificate holders' and primary capital share of the unallocated profit as a % of risk-weighted volume (total calculation basis) |
| 18. CET1 capital ratio (%) | CET1 capital as a % of the risk-weighted volume (basis for calculation) |
| 19. Tier 1 capital ratio (%) | Tier 1 capital as a % of the risk-weighted volume (basis for calculation) |
| 20. Capital adequacy ratio (%) | Total primary capital as a % of the risk-weighted volume (basis for calculation) |
| 21. Risk-weighted volume (calculation basis) | Total credit and counterparty risk, currency risk, operational risk and calculation basis for impaired counterparty credit rating (CVA) |
| 22. Leverage ratio incl. 50% retained earnings (%) | Tier 1 capital incl. 50% of equity certificate holders' and primary capital share of the unallocated profit as a % of the unweighted basis for calculation. |
| 23. Leverage ratio (%) | Tier 1 capital as a % of unweighted calculation basis |

Liquidity

- | | |
|----------------------------|---|
| 24. Deposit coverage ratio | Deposits as a % of net lending to customers. |
| 25. LCR (%) | Liquid assets as a % of net payments in a stress scenario lasting 30 days |

Branches and FTEs

- | | |
|---------------------|--|
| 26. No. of branches | |
| 27. FTEs | |

Equity certificates

- | | |
|--|---|
| 28. Ownership fraction (parent bank) (%) | Equity certificate holders' share of total equity adjusted for hybrid capital (less proposed dividends) as a % (basis at 01.01, time-weighted at issue). |
| 29. No. of equity certificates | Total no. of outstanding equity certificates |
| 30. Book equity per equity certificate* | Equity share capital divided by no. of equity certificates. The calculation includes the year's allocation for dividends. The key figure provides information about the value of the book equity per equity certificate. This allows the reader to assess the reasonableness of the market price in relation to the equity certificate. |
| 31. Earnings per equity certificate* | The equity share capital's share of the profit/loss after tax divided by time-weighted average number of equity certificates during the period. |
| 32. Dividend per equity certificate | Dividend in NOK per equity certificate |
| 33. Turnover rate | Annualised turnover rate (traded as a % of issued) |
| 34. Price | The most recently traded price on the Oslo Stock Exchange as at the balance sheet date. |

* Defined as alternate performance target

Financial Performance - Group

(Amounts in NOK millions)	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Interest income	241,5	235,3	231,2	238,0	245,6
Interest costs	76,0	83,5	80,0	74,0	79,3
Net interest income	165,5	151,8	151,2	164,0	166,3
Commission income and income from banking services	19,0	18,3	17,9	19,8	19,1
Commission costs and costs for banking services	12,4	11,2	10,4	11,6	10,4
Dividend	0,2	69,0	2,2	6,4	0,1
Net changes in value and gains/losses on financial instruments	-2,8	2,1	0,0	-3,7	-4,9
Other operating income	0,2	1,9	3,8	3,3	1,9
Net other operating income	4,2	80,1	13,5	14,2	5,9
Payroll, etc.	47,5	35,4	47,0	46,3	43,8
Administration costs	14,5	15,4	14,3	15,4	13,9
Depreciation/write-downs/changes in value for non-financial assets	6,9	7,0	6,9	7,4	6,9
Other operating costs	10,7	10,4	10,8	12,9	7,4
Total operating costs	79,5	68,2	78,9	81,9	72,1
Profit/loss before losses	90,2	163,8	85,8	96,3	100,0
Losses on loans, unused credit and guarantees	-1,7	0,6	2,6	3,7	2,0
Profit/loss before tax costs	91,9	163,2	83,2	92,6	98,1
Tax costs	20,2	21,8	18,6	20,6	22,1
Profit/loss after tax	71,7	141,4	64,6	72,0	75,9
Hybrid capital owners' share of the result	3,4	3,5	3,5	3,4	3,5
Equity certificate holders' and primary capital share of profits	68,3	137,9	61,1	68,5	72,4
Profit/loss after tax	71,7	141,4	64,6	72,0	75,9
Earnings per equity certificate	0,97	1,97	0,87	1,04	1,10
Diluted earnings per equity certificate	0,97	1,97	0,87	1,04	1,10

Other comprehensive income performance - Group

(Amounts in NOK million)	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Profit/loss after tax	71,7	141,4	64,6	72,0	75,9
Items that will not be reclassified to the income statement					
Actuarial gains and losses on defined-benefit plans	0,0	0,0	0,0	-2,4	0,0
Tax related to items that cannot be reclassified	0,0	0,0	0,0	0,6	0,0
Comprehensive income	71,7	141,4	64,6	70,2	75,9

Balance sheet performance - Group

(Amounts in NOK millions)	30.09.2021	30.06.2021	31.03.2021	31.12.2020	30.09.2020
Assets					
Cash and receivables from central banks	346,8	290,8	421,8	409,4	441,0
Loans to and receivables from financial institutions	9,3	7,6	12,9	13,4	12,3
Loans to and receivables from customers	40.093,4	40.425,6	38.441,0	35.443,8	31.366,3
Certificates and bonds	6.953,6	6.868,8	6.238,7	6.790,2	9.316,0
Shares and units	810,7	808,4	801,0	811,0	814,8
Financial derivatives	247,3	273,2	245,8	374,1	552,5
Investment properties	11,7	11,8	11,9	11,9	12,0
Tangible fixed assets	146,9	149,8	147,4	145,1	143,0
Lease rights	40,8	41,8	44,2	44,1	46,5
Other assets	9,2	14,3	16,5	14,9	16,3
Prepaid non-accrued costs and income earned, but not received	23,8	25,1	21,5	11,7	18,4
Total assets	48.693,6	48.917,1	46.402,6	44.069,7	42.739,1
Liabilities and equity					
Liabilities to financial institutions	300,8	300,1	300,9	601,0	601,4
Deposits from and liabilities to customers	17.852,6	17.318,3	15.748,6	14.845,1	14.542,0
Financial derivatives	16,0	13,4	18,0	17,9	25,3
Securities issued	24.962,9	25.775,7	24.912,5	23.111,0	21.950,7
Other liabilities	385,5	405,8	441,3	501,8	553,2
Accruals and deferred income	39,4	34,5	47,9	43,0	41,5
Other provisions and liabilities	62,8	62,9	63,0	62,9	67,6
Deferred tax liability	0,6	0,7	0,5	0,0	0,7
Lease liabilities	41,8	42,7	45,0	44,9	47,2
Subordinated loan capital	400,2	400,1	400,2	400,1	400,0
Total liabilities	44.062,7	44.354,3	41.977,7	39.627,7	38.229,6
Paid-up equity	595,1	595,1	595,1	595,1	595,1
Hybrid capital	351,7	351,7	351,8	351,7	351,7
Retained earnings	3.684,2	3.615,9	3.478,0	3.495,1	3.562,7
Total equity	4.630,9	4.562,7	4.424,9	4.442,0	4.509,5
Total liabilities and equity	48.693,6	48.917,1	46.402,6	44.069,7	42.739,1

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