

179th year

QUARTERLY REPORT

Q4 2021



SPAREBANKEN
ØST

Interim financial statements, Q4 2021

Key figures - Group.....	3
Board of Directors' Report.....	4
Financial statements for the Sparebanken Øst Group	
Income Statement	13
Balance Sheet	14
Changes in Equity	15
Cash Flow Statement	16
Note 1 Basis for preparation of the financial statements	17
Note 2 Operating segments	18
Note 3 Capital adequacy	19
Note 4 Losses on loans, unused credit and guarantees	21
Note 5 Non-performing commitments, customers	25
Note 6 Deposits from customers by sector and industry	26
Note 7 Loans to customers by sector and industry	26
Note 8 Geographical distribution of lending, customers	26
Note 9 Credit risk	27
Note 10 Classification of financial instruments	28
Note 11 Financial instruments at fair value	29
Note 12 Securities issued and subordinated loan capital	30
Note 13 Financial derivatives	31
Note 14 Financial derivatives - offsetting	32
Note 15 Net interest income	33
Note 16 Net changes in value and gains/losses on financial instruments	33
Note 17 Operating costs	33
Note 18 Guarantee liability and other off-balance sheet items	34
Note 19 Equity certificates	34
Financial Statements for Sparebanken Øst - Parent Bank	
Income Statement	36
Balance Sheet	37
Changes in Equity	38
Cash Flow Statement	39
Additional Information - Sparebanken Øst Group	
Key figures	40
Definition of key figures and alternative performance indicators	41
Financial performance	42
Balance sheet performance	43
Q4 2021	

Key figures - Group

Income Statement (Amounts in NOK millions)	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Net interest income	162,8	164,0	631,3	632,1
Net commission income	12,0	8,1	33,3	35,1
Net result from financial assets	19,2	2,8	89,8	148,1
Other operating income	0,5	3,3	6,4	29,3
Total net income	194,4	178,2	760,8	844,7
Total operating costs	79,0	81,9	305,7	296,0
Profit/loss before losses	115,4	96,3	455,2	548,7
Losses on loans, unused credit and guarantees	-1,0	3,7	0,5	15,1
Profit/loss before tax costs	116,4	92,6	454,7	533,6
Tax costs	18,7	20,6	79,3	80,4
Profit/loss after tax	97,7	72,0	375,4	453,1
Key figures	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Profitability				
Return on equity*	8,86	6,82	8,86	11,47
Net interest income as a % of average total assets	1,33	1,50	1,34	1,46
Profit after tax as a % of average total assets	0,80	0,66	0,79	1,05
Costs as a % of average total assets	0,65	0,75	0,65	0,68
Costs as a % of income (before losses on loans/guarantees)*	40,65	45,96	40,17	35,04
Costs as a % of income (excl. return on financial investments)*	45,09	46,69	45,55	42,50
Balance sheet figures				
Net lending to customers	39.386,7	35.443,8	39.386,7	35.443,8
Lending growth (quarter/12 months)	-1,76	13,00	11,12	3,56
Deposits	17.578,9	14.845,1	17.578,9	14.845,1
Deposit growth (quarter/12 months)	-1,53	2,08	18,42	0,36
Average equity	4.210,1	3.997,3	4.076,5	3.812,9
Average total assets	48.410,6	43.404,4	47.242,1	43.299,0
Loan loss provisions on impaired and non-performing commitments				
Losses as a % of net lending to customers (OB)*	-0,01	0,05	0,00	0,04
Loan loss provisions as a % of gross lending to customers*	0,32	0,35	0,32	0,35
Net payments over 90 days past due as a % of net lending*	0,20	0,29	0,20	0,29
Other net non-performing commitments (Stage 3) as a % of net lending*	0,31	0,02	0,31	0,02
Financial strength				
CET1 capital ratio (%)	18,24	17,96	18,24	17,96
Tier 1 capital ratio (%)	19,89	19,67	19,89	19,67
Capital adequacy ratio (%)	21,78	21,34	21,78	21,34
Risk-weighted volume (calculation basis)	21.190,0	20.471,4	21.190,0	20.471,4
Leverage ratio (%)	8,60	9,03	8,60	9,03
Liquidity				
Deposit coverage ratio	44,63	41,88	44,63	41,88
LCR (%)	249,72	266,93	249,72	266,93
Branches and FTEs				
No. of branches	29	29	29	29
FTEs	187	184	187	184
Equity certificates				
Ownership fraction (parent bank) (%)**	29,59	31,40	29,59	31,40
No. of equity certificates	20.731.183	20.731.183	20.731.183	20.731.183
Book equity per equity certificate*	61,51	61,18	61,51	61,18
Earnings per equity certificate*	1,34	1,04	5,16	6,62
Dividend per equity certificate	3,85	4,50	3,85	4,50
Turnover rate	42,39	24,98	28,53	20,64
Price	57,20	51,40	57,20	51,40

For definition of key figures and a review of alternative performance targets, see page

* Defined as alternative performance target

** For ownership fraction at 01.01.2022, see Note 19

For definisjon av nøkkeltall og omtale av alternative resultatmål, se side 41

Board of Directors' Report

The bank saw a significant influx of customers in 2021, which resulted in high rates of growth across both lending and deposits. Lending growth in the last 12 months amounted to NOK 3.9 billion, or 11.1 per cent, while deposit growth totalled NOK 2.7 billion, or 18.4 per cent.

The bank's 179th year of trading shows an after-tax profit of NOK 375.4 million, producing an equity ratio of 8.86 per cent. Given the market situation, the bank is happy with developments in net interest income, cost levels and profit effects from ownership interests in other companies. Losses on lending are also very low. Earnings per equity certificate were NOK 5.16. The Board of Directors proposes that a cash dividend of NOK 3.85 per equity certificate (NOK 79.8 million in all) be distributed for 2021, with provisions for good causes totalling NOK 79.8 million. This year's allocations are based on the bank's earnings, low credit risk and very solid capital adequacy.

With effect from mid-November, interest increases were applied to large parts of the bank's loan portfolio, and further changes were decided in the fourth quarter, to take effect from February 2022. 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.

Results for the quarter in brief

Profit in the quarter amounts to NOK 97.7 million, an increase of NOK 25.8 million from the same quarter last year. Compared to Q3 2021, profit has increased by NOK 26.1 million. The bank is very pleased with the results for the quarter.

The return on equity (ROE) ended at 8.86 per cent. The corresponding figures were 6.82 per cent in Q4 2020 and 6.44 per cent in Q3 2021.

Earnings per equity certificate are NOK 1.34 in the quarter, up from NOK 1.04 in the same period last year and from NOK 0.97 in Q3 2021.

The CET1 capital ratio is 18.24 per cent, up from 17.96 per cent in Q4 2020, and up from 17.62 per cent in Q3 2021.

The leverage ratio is 8.60 per cent, down from 9.03 per cent in Q4 2020, and up from 8.34 per cent in Q3 2021.

Net interest income amounts to NOK 162.8 million down NOK 1.2 million from Q4 2020. Compared to Q3 2021, net interest income decreased by NOK 2.7 million. Developments in net interest income are affected by high lending and deposit growth over the past 12 months and rising money

market rates. Deposit margins remain low as a result of low interest rates.

Net other operating income amounts to NOK 31.6 million, an increase of NOK 17.4 million from Q4 2020. Compared to Q3 2021, net other operating income increased by NOK 27.4 million. Profit effects from ownership interests amount to NOK 35.8 million, an increase of NOK 33.3 million from Q4 2020. The value of the liquidity portfolio fell by NOK 16.6 million, compared with a decrease of NOK 4.1 million in Q4 2020.

Operating expenses totalled NOK 79.0 million, a reduction of NOK 2.9 million from Q4 2020. Total operating costs as a percentage of average total assets have decreased to 0.65 per cent compared with 0.75 per cent in Q4 2020. Compared to Q3 2021, operating expenses are down by NOK 0.5 million.

Losses amount to income of NOK 1.0 million, a decrease of NOK 4.7 million from Q4 2020. For comparison, losses amounted to an income of NOK 1.7 million in Q3 2021.

Proposed allocation of profits for 2021

The profit for the year is allocated on the basis of the financial statements for the parent bank. The profit for the year for the parent bank is NOK 361.5 million for 2021, against NOK 434.9 million in 2020. The parent bank has recognised NOK 163.7 million in dividends from wholly-owned subsidiaries in 2021, against NOK 162.8 million in 2020.

The hybrid capital owners' share of the parent bank's profit for the year amounted to NOK 14.1 million in 2021 and is allocated to their share of the equity. The corresponding share of the profit was NOK 15.9 million in 2020. The share of the profit is made up of interest costs on additional Tier 1 capital, where interest paid is presented as a distribution from equity.

The Board of Directors proposes that the parent bank's profit for 2021 be allocated to equity certificate holders and primary capital as shown in the table below:

(beløp i mill. kroner)	
Årsresultat morbank*	347,4
Kontantutbytte til egenkapitalbevisseierne	79,8
Avsatt til allmennytige gaver	79,8
Sum utdelinger	159,6
Til utjevningsfond	11,5
Til grunnfond	137,4
Til fond for urealiserte gevinst	38,9
Sum til egenkapital	187,8
Sum disponert	347,4

* EK-bevisseierne og grunnfondets andel av resultatet.

The proposed distribution of cash dividends amounts to NOK 3.85 per equity certificate, equivalent to NOK 79.8 million in all. The dividend ratio is 74.6 per cent, which is within the dividend policy which aims to pay 50 to 75 per cent of the profit allocated to equity certificate holders as dividends. This year's provision for grants to good causes is historically high, at NOK 79.8 million. The allocation for good causes is 100 per cent of the proposed dividend to be distributed to equity certificate holders and is at the top of

the target range for 50 to 100 per cent of the dividend paid to equity certificate holders to be allocated to social capital in the form of grants for good causes.

More about the results for the quarter

NET INTEREST INCOME

Net interest income amounts to NOK 162.8 million, down NOK 1.2 million from Q4 2020. Interest income from lending to customers has increased compared to Q4 2020 as a result of higher lending volumes and the fact that lending rates on large portions of the loan portfolios were adjusted up from mid-November. Compared to Q4 2020 and to Q3 2021, interest costs associated with market financing have risen significantly on the back of the increase in money market rates from the start of the second half. Deposit growth is contributing to increased interest costs on deposits compared to Q4 2020. Deposit margins remain low as a result of low interest rates.

Netto renteinntekter

Beløp i NOKmill.	Q4 21	Q3 21	Q4 20
Utlån til & fordringer på kreditinstitusjoner	0,3	0,0	0,0
Utlån til kunder	238,9	227,7	220,4
Sertifikater og obligasjoner	19,4	13,9	17,6
Sum renteinntekter	258,5	241,6	238,1

Geld til kreditinstitusjoner	1,5	1,5	2,0
Innskudd fra kunder	24,3	21,8	17,9
Verdipapirgjeld	64,5	47,7	48,6
Ansvarlig lånekapital	2,0	1,7	1,7
Skringsfondsavgift	3,3	3,3	4,0
Sum rentekostnader	95,7	76,0	74,0
Netto renteinntekter	162,8	165,5	164,0
Rentenetto i % av GFK	1,33	1,35	1,50

NET OTHER OPERATING INCOME

Net other operating income comprises commission income and expenses, dividends, net value changes and gains/losses on financial instruments and other income. Net other operating income amounts to NOK 31.6 million, an increase of NOK 17.4 million from Q4 2020. Compared to Q3 2021, net other operating income is up by NOK 27.4 million.

Net commission income amounted to NOK 12.0 million, up NOK 3.9 million from Q4 2020. The increase is mainly due to increased commission income from insurance intermediation.

No dividend income was recognised in the quarter. In Q4 2020, dividends totalling NOK 6.4 million from VN Norge AS were recognised in connection with the sale of shares of Visa Inc.

Net value changes and gains/losses on financial instruments were positive by NOK 19.1 million, up NOK 22.8 million from Q4 2020. The positive value change on the bank's shares in Norwegian Block Exchange AS amounted to NOK 26.8 million and the bank's shares in Balder Betaling AS (which owns Vipps AS) saw a positive value change of NOK 11.9 million. The value of the bank's shares in Kraft Bank ASA

fell by NOK 1.2 million, against a rise of NOK 5.8 million in Q4 2020. Negative value changes related to shares and options in Visa Inc. amounted to NOK 1.9 million compared with a decrease of NOK 9.1 million in Q4 2020. In Q4 2020, the bank's shares in Norne Securities AS were value-adjusted down by NOK 0.6 million. The value of the liquidity portfolio fell by NOK 16.6 million, compared with a decrease of NOK 4.1 million in Q4 2020. Increased credit spreads on bonds towards the end of the quarter reduce the market value of the liquidity portfolio. There are no profit effects from currency, derivatives and fixed-rate loans at fair value in the fourth quarter. Corresponding profit effects are positive by NOK 4.8 million in Q4 2020. The bank incurred no costs for buying back its own issued debt in the fourth quarter, compared to NOK 0.4 million in Q4 2020.

Netto andre driftsinntekter

Beløp i NOKmill.	Q4 21	Q3 21	Q4 20
Netto provisjoner ved banktjenester	12,0	6,6	8,1
Utbytte	0,0	0,2	6,4
Nto. verdiendr. og gev./tap på sert. og obl.	-18,3	-6,5	-7,3
Nto. verdiendr. og gev./tap på aksjer	35,7	2,3	-3,9
Nto. verdiendr. og gev./tap på fastrenteutlån	-1,5	-2,0	-2,8
Nto. verdiendr. og gev./tap på andrefin. inst	3,1	3,4	10,4
Andre driftsinntekter	0,5	0,2	3,3
Netto andre driftsinntekter	31,6	4,2	14,2

OPERATING COSTS

Operating expenses totalled NOK 79.0 million, a reduction of NOK 2.9 million from Q4 2020. Total operating costs as a percentage of average total assets have decreased to 0.65 per cent compared with 0.75 per cent in Q4 2020. Compared to Q3 2021, operating expenses are down by NOK 0.5 million.

Payroll costs came to NOK 46.0 million, down by NOK 0.3 million from Q4 2020 and by NOK 1.5 million from Q3 2021. The reduction from Q3 2021 is mainly due to reduced pension costs.

Administrative expenses amount to NOK 16.8 million, an increase of NOK 1.4 million from Q4 2020, mainly due to hiring of temporary resources.

Other operating expenses amount to NOK 9.5 million, down by NOK 3.4 million from Q4 2020.

Driftskostnader

Beløp i NOKmill.	Q4 21	Q3 21	Q4 20
Lønn mv	46,0	47,5	46,3
Andre administrasjonskostnader	16,8	14,5	15,4
Avskrivning/nedskr./verdiendr. ikke-fin. eiend.	6,8	6,9	7,4
Andre driftskostnader	9,5	10,7	12,9
Sum driftskostnader	79,0	79,5	81,9
Kostnader i % av GFK	0,65	0,65	0,75

IMPAIRMENT AND NON-PERFORMING COMMITMENTS

Impairment losses on loans to customers, unused credits and guarantees amounted to income of NOK 1.0 million, with NOK 4.5 million attributable to changes in model-based loan loss provisions. The reduction is largely explained by the fact that model-based expected credit loss is based from Q4 2021 on a customer-specific probability of default (PD) from the scoring

model and changes in this. This is a change from the probability of default per risk class used earlier (based on the customer's risk class). By way of comparison, losses amounted to NOK 3.7 million in Q4 2020, of which changes in model-based loan loss provisions accounted for NOK 2.0 million.

Tapskostnad

Beløp i NOKmill.	Q4 21	Q3 21	Q4 20
Utlån til personkunder i mor og boligkredittsel.	2,8	-1,6	0,2
Utlån til næringskunder	-5,6	-1,3	0,5
Utlån i ASFinansiering	1,5	1,3	2,8
Ubenyttede kreditter og garantier	0,3	-0,1	0,2
Sum tapsavsetninger	-1,0	-1,7	3,7
Tap i % av netto utlån til kunder (IB)	-0,01	-0,02	0,05

Total loan loss provisions amount to NOK 126.5 million, equivalent to 0.32 per cent of gross lending to customers. For comparison, total loan loss provisions amounted to NOK 125.3 million at the end of 2020, or 0.35 per cent of gross lending to customers. Individually assessed loan loss provisions amounted to NOK 96.8 million, compared with NOK 89.3 million at the end of 2020.

Most of the bank's loan loss provisions are related to AS Finansiering. Compared to the end of 2020, the level of provisions in AS Finansiering has decreased reduced as a percentage of gross lending in AS Finansiering.

From Q4 2021, model-based expected loss is based on a customer-specific probability of default (PD) from the scoring model and changes to it. This is a change from the probability of default per risk class used earlier (based on the customer's risk class). This change largely explains the changes in loan loss provisions, both on lending to retail customers in the parent bank and the mortgage company and on lending to business customers, measured against both Q3 2021 and the end of 2020.

Tapsavsetninger

Beløp i NOKmill.	Q4 21	Q3 21	Q4 20
Utlån til personkunder i mor og boligkredittsel.	16,3	13,7	12,6
Utlån til næringskunder	4,3	9,8	12,6
Utlån i ASFinansiering	104,5	103,0	98,9
Ubenyttede kreditter og garantier	1,4	1,1	1,2
Sum tapsavsetninger	126,5	127,5	125,3
Tapsavsetninger i % av brutto utlån til kunder	0,32	0,32	0,35

Net non-performing commitments amount to NOK 200.7 million, up by NOK 88.8 million from the end of 2020. With effect from 2021, the bank altered its definition of default in line with the EBA guidelines that entered into force from 1 January 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. The amount of commitments in the waiting period at the end of 2021 was NOK 25.8 million net, and together with one denounced commitment (classified as non-performing) explains most of the increase in net non-performing commitments. This denounced commitment is not judged to be impaired.

Misligholdte engasjementer

Beløp i NOK mill.	Q4 21	Q3 21	Q4 20
Utlån til personkunder i mor og boligkredittsel.	47,5	39,2	21,7
Næringskunder	72,8	10,2	10,2
ASFinansiering	178,5	178,3	169,5
Sum brutto misligholdte engasjementer	298,8	227,6	201,4
Tapsavsetninger på misligholdte engasjementer	98,2	94,4	89,6
Netto misligholdte engasjementer	200,7	133,2	111,8

TAX COSTS

Tax costs stand at NOK 18.7 million, equal to 16.1 per cent of the profit before tax. The low tax costs are mainly due to value changes on shares covered by the exemption method.

Profits for 2021

The profit for the year is NOK 375.4 million, a reduction of NOK 77.7 million from 2020. This is due to a reduction in net other operating income, with profit effects from ownership interests down by NOK 57.9 million and decreases in the value of the liquidity portfolio up by NOK 7.1 million. The return on equity is 8.86 per cent compared with 11.47 per cent in 2020. Earnings per equity certificate were NOK 5.16, down from NOK 6.62 in 2020.

NET INTEREST INCOME

Net interest income amounted to NOK 631.3 million, down marginally by NOK 0.8 million from 2020. Net interest income in 2021 is mainly affected by high lending and deposit growth in a market with strong competition for the best customers.

Interest income on loans to customers is down compared to 2020. At the beginning of 2020, interest rates and lending margins were higher. A large proportion of the lending growth from Q4 2020 came from very high quality mortgages in a market with strong competition. With effect from mid-November 2021, interest increases were applied to large parts of the bank's loan portfolios.

Interest costs on securities issued are closely linked to money market rates. The reduction in interest costs compared to 2020 is explained by the fact that interest rates were significantly higher in the first half of 2020, driven partly by the global outbreak of Covid-19 in March last year. Interest costs in 2021 are affected by the fact that money market rates were at a relatively high level at the beginning of 2021 and started to rise from the second half.

Interest costs on deposits are down from 2020 as a result of lower interest rates. The bank's deposit margins were low in 2021 because of low interest rates.

Netto renteinntekter

Beløp i NOK mill.	2021	2020
Utlån til & fordringer på kredittinstansjoner	0,3	1,7
Utlån til kunder	905,2	1.002,3
Sertifikater og obligasjoner	61,1	117,4
Sum renteinntekter	966,6	1.121,4
Geld til kredittinstansjoner	6,3	8,5
Innskudd fra kunder	86,0	106,5
Verdipapirgjeld	222,4	349,3
Ansvarlig lånekapital	7,3	9,2
Skringsfondsavgift	13,3	15,9
Sum rentekostnader	335,3	489,3
Netto renteinntekter	631,3	632,1
Rentenetto i % av GFK	1,34	1,46

NET OTHER OPERATING INCOME

Net commission income amounted to NOK 33.3 million, down NOK 1.8 million from 2020. The decrease is mainly due to increased commission costs in AS Finansiering, while commission income from insurance intermediation has gone up.

Dividends received amounted to NOK 71.4 million, of which NOK 69.0 million related to dividends received from Frende Holding AS. In 2020, dividends received amounted to NOK 11.8 million, mostly made up of NOK 5.1 million in dividends from Exportfinans ASA and NOK 6.4 million from VN Norge AS in connection with the sale of shares in Visa Inc. The bank did not receive any dividends from Frende Holding AS in 2020.

Net value changes and gains/losses from financial instruments are positive by NOK 18.4 million, but down by NOK 117.9 million compared to 2020. Positive value changes from holdings in other companies amount to NOK 44.0 million, compared to NOK 159.2 million in 2020. The positive value adjustment on shares in Frende Holding AS produced a gain of NOK 154.0 million in 2020. The positive value change on the bank's shares in Norwegian Block Exchange AS amounted to NOK 26.8 million in 2021, while the bank's shares in Vipps AS (owned via Balder Betaling AS) saw a positive value change of NOK 13.7 million. The bank's shares in Kraft Bank ASA rose in value by NOK 2.6 million, compared to an increase of NOK 5.8 million in 2020. Positive value changes related to shares and options in Visa Inc. amounted to NOK 0.8 million compared with an increase of NOK 2.3 million in the same quarter in 2020. In 2020, the bank's shares in Norne Securities AS were value-adjusted down by NOK 0.6 million. The value of the liquidity portfolio fell by NOK 25.5 million, compared with a decrease of NOK 18.4 million in 2020. Low credit spreads and a growing proportion of bonds acquired at a premium with high coupon rates yields have brought an increase in negative market value changes. Positive profit effects of currency, derivatives and fixed rate loans at fair value amount to NOK 0.2 million. Corresponding profit effects were positive by NOK 2.8 million in 2020. The cost of buying back the bank's own issued debt amounted to NOK 0.3 million, compared with NOK 9.6 million in 2020.

Other operating income amounted to NOK 6.4 million, down by NOK 23.0 million from 2020. The reduction is mainly due to gains from sales of property.

Netto andre driftsinntekter

Beløp i NOK mill.	2021	2020
Netto provisjoner ved banktjenester	33,3	35,1
Utbytte	71,4	11,8
Nto. verdiendr. og gev./tap på sert. og obl.	-34,7	-10,0
Nto. verdiendr. og gev./tap på aksjer	44,0	161,5
Nto. verdiendr. og gev./tap på fastrenteutlån	-7,9	6,8
Nto. verdiendr. og gev./tap på på andre fin. instr.	17,0	-22,0
Andre driftsinntekter	6,4	29,3
Netto andre driftsinntekter	129,5	212,6

OPERATING COSTS

Operating costs amount to NOK 305.7 million an increase of NOK 9.7 million from 2020. 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 salaries, the bank has taken steps over the last year to deal with the increased complexity and regulatory requirements. As a percentage of average total assets, operating costs have decreased to 0.65 per cent from 0.68 per cent in 2020.

Driftskostnader

Beløp i NOK mill.	2021	2020
Lønn mv	175,8	167,4
Andre administrasjonskostnader	60,9	57,4
Avskrivning/nedskr./verdiendr. Ikke-fin. eiend.	27,6	27,3
Andre driftskostnader	41,3	43,9
Sum driftskostnader	305,7	296,0
Kostnader i % av GFK	0,65	0,68

IMPAIRMENT AND NON-PERFORMING COMMITMENTS

Losses amount to 0.5 million kroner, down by NOK 14.6 million from 2020. Of this reduction, NOK 13.1 million is due to changes in model-based loan loss provisions, with NOK 6.4 million recognised in 2021 against NOK 6.7 million in 2020.

Tapskostnad

Beløp i NOK mill.	2021	2020
Utlån til personkunder i mor og boligkredittsel.	3,0	-0,1
Utlån til næringskunder	-8,7	3,7
Utlån i ASFinansiering	6,0	11,1
Ubenyttede kreditter og garantier	0,2	0,4
Sum tapsavsetninger	0,5	15,1
Tap i % av netto utlån til kunder (IB)	0,00	0,04

TAX COSTS

Tax costs stand at NOK 79.3 million, equal to 17.4 per cent of the profit before tax. This low tax cost is mainly due to the dividend income from the shares in Frende Holding AS, and value changes on shares covered by the exemption method.

Principal items in the balance sheet

Total assets amount to NOK 48.1 billion, an increase of NOK 4.1 billion from the end of 2020.

LENDING TO CUSTOMERS

Net lending to customers totalled NOK 39.4 billion, up NOK 3.9 billion, or 11.1 per cent, in the past 12 months.

Net lending to retail customers amounted to NOK 34.9 billion, up NOK 4.5 billion, or 14.8 per cent, in the past 12 months. 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 mainly covers the central area of Eastern Norway, the retail market portfolio is considered to be secure and well able to service debt in a housing and labour market that is expected to function well over time. Gross lending to retail customers accounted for 88.7 per cent of total lending to customers.

Net lending to business customers amounted to NOK 4.5 billion, a decrease of NOK 0.5 billion, or 11.0 per cent, in the past 12 months. Exposure to commercial property represents a relatively large proportion of the business portfolio, but a limited proportion of the bank's total loan portfolio. The bank has no exposure to oil, oil-related activities, fishing, or aquaculture activities. In general terms, the bank can also be said to have very little direct or indirect exposure to the accommodation/hospitality industry, import/export businesses, major industry and trading operations. There is 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 were received for the government's guaranteed loan scheme and no new loans were granted through this scheme in 2021.

DEPOSITS FROM CUSTOMERS

Deposits from customers totalled NOK 17.6 billion, up NOK 2.7 billion, or 18.4 per cent, in the past 12 months. The deposit coverage ratio is 44.6 per cent, up from 41.9 per cent at the end of 2020. The reason for the high growth is that the bank has deliberately prioritised increasing deposit volume and deposit coverage. Deposits from retail customers amounted to NOK 11.6 billion, up NOK 3.0 billion in the past 12 months. Deposits from business customers amounted to NOK 6.0 billion, down NOK 0.3 billion in the past 12 months.

LIQUIDITY AND FINANCING

The bank takes a conservative approach to liquidity risk and exercises proper liquidity management so that the Group has sufficient liquid assets to cover its obligations upon maturity at all times. The bank must be able to run normal operations for a period of at least 12 months without access to external financing. The bank also takes on 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 liquidity risk is monitored continuously, and updated overviews of the bank's total counterparty risk are available.

Holdings of certificates and bonds total NOK 7.2 billion, an increase of NOK 0.4 billion in the past 12 months.

The short-term liquidity target measured by LCR is above the bank's agreed limit of 102 per cent and amounts to 249.7 per cent, against 266.9 per cent at the end of 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.

Securities issued totalled NOK 24.7 billion an increase of NOK 1.6 billion in the past 12 months. The bank finds access to market financing to be good and the credit spread on market financing is low.

The degree of stable and long-term financing measured by NSFR is above the bank's limit of 102 per cent, and stands at 122.3 per cent against 120.4 per cent at the end of 2020. The average maturity for market funding was 3.05 year compared to 3.13 years at the end of 2020. Short-term borrowing (defined as borrowing with a remaining term to maturity of less than 1 year) amounted to NOK 4.2 billion at the end of 2021.

As part of the phasing-in plan for MREL, the bank issued senior non-preferred debt (SNP) with a nominal value of NOK 0.4 million in 2021.

FRENDE FORSIKRING

The bank owns 13.75 per cent of Frende Holding AS which itself owns Frende Skade and Frende Liv AS (Frende Forsikring). As the bank's stake in Frende is below 20 per cent, the shareholding is measured at fair value with changes of value and dividends received recognised through profit or loss. The bank's shareholding in Frende Holding AS is valued at NOK 481.2 million.

The bank's share of the profits in Frende amounted to NOK 21.2 million in Q4 2021 and NOK 71.7 million for 2021. In comparison, the bank's share of the profit was NOK 34.3 million in Q4 2020 and NOK 76.9 million for 2020. The bank recognised dividend income of NOK 69.0 million in 2021 (in the second quarter); in the same period last year the value of the shares increased by NOK 154.0 million (in the third quarter). The bank has had and also expects future value creation and profit contributions from the investment in Frende.

MISC. OWNERSHIP INTERESTS IN OTHER COMPANIES

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

Balder Betaling AS is owned by a number of independent banks, and its main purpose is to own these banks' shares in Vipps AS. The bank holds a 0.70 per cent stake in Vipps AS. The bank's shares in Bader Betaling AS are valued at NOK 46.8 million, based on the value of the underlying shares in Vipps AS.

The bank owns 6.85 per cent of the shares in Kraft Bank ASA. Kraft Bank ASA is listed on Euronext Growth Oslo and the bank's shareholding is valued at NOK 31.3 million.

The bank owns 'C' shares in Visa Inc. The shareholding is valued at NOK 36.4 million. The bank also has rights to shares in Visa Inc., owned via VN Norge Forvaltning AS and VN Norge AS. The rights are valued at NOK 13.6 million.

The bank owns 9.92 per cent of the shares in Norwegian Block Exchange AS (NBX). As of December 2021, NBX is listed

on Euronext Growth Oslo and the bank has valued the shareholding at NOK 41.8 million.

Capital adequacy

The bank uses the standard method to calculate capital adequacy and is very strong and well positioned to deal with announced and expected future increases in capital requirements, and also has both dividend capacity and scope for lending growth.

Sparebanken Øst increased its solvency through 2021 and the CET1 capital ratio stood at 18.24 per cent at the end of 2021, up from 17.96 per cent at the end of 2020.

The applicable Pillar 2 requirement for Sparebanken Øst is 1.8 per cent, with 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.

Net subordinated loan capital at the end of 2021 amounted to NOK 4.6 billion, of which the Group's CET1 capital accounted for NOK 4.2 billion. With a calculation basis of NOK 21.2 million, this corresponds to a capital adequacy ratio of 21.78 per cent, of which 19.89 per cent constitutes the Tier 1 capital ratio. The leverage ratio was 8.60 per cent at the end of 2021, compared with 9.03 per cent at the end of 2021. The leverage ratio requirement is 5.0 per cent.

Kapitalnivå prosent	2021	2020
Ren kjernekapitaldekning	18,24	17,96
Kjernekapitaldekning	19,89	19,67
Kapitaldekning	21,78	21,34
Uvektet kjernekapitalandel	8,60	9,03

Regulatory framework conditions

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. A further 0.5 percentage point increase in the countercyclical capital buffer has been signalled 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 0.37 percentage points based on the loan portfolio at the end of 2021.

SIGNIFICANT DIFFERENCES IN TREATMENT OF EQUAL RISK BETWEEN BANKS

Sparebanken Øst bases its capital calculations on the principles in the standard method, which means that loans with the same risk are subject to far higher risk weights 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 holds far more equity for its lending than banks that 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 performance.

Sparebanken Øst uses risk weights 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 weights from 20 per cent. At the end of 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 weights from 100 per cent, while banks that use IRB models have risk weights from 35 per cent. At the end of 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 by the bank show that the differential treatment means that the bank has to hold about NOK 1.1 billion more in equity than if it had use IRB models on its loan portfolios.

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.

Social responsibility and sustainability

Sparebanken Øst gave great attention to sustainability during 2021, and has set itself the goal of integrating sustainability as a natural part of its business. Several measures were implemented through the year to underpin this ambition.

Sparebanken Øst has defined the sectors that it does not want to finance in the future. The industries concerned are companies involved in coal mining or energy production based on coal, controversial weapons, tobacco, pornography, oil/tar sands, shale oil/shale gas and oil and gas extraction in the Arctic. The bank has prioritised the United Nations Sustainability Goals that it can contribute the most to. These goals are good education, decent work and economic growth, stopping climate change, peace, justice and well-functioning institutions.

Climate risk is a financial risk for the bank and something that Sparebanken Øst will focus heavily on in the future. In 2021, the bank therefore started to map the climate risk (physical climate risk and transition risk) in its business market portfolio. Property is the sector in which the bank has the greatest exposure, which is why the work will initially focus on these business customers. The bank will work in 2022 to integrate sustainability even more tightly into the credit process.

Rating

On 29 January 2021, Moody's Investors Service upgraded Sparebanken Øst's long-term deposit and issuer ratings from A2 to A1. The upgrade was based on the bank's expected issuance of senior non-preferred debt to meet MREL requirements. 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

All subsidiaries are 100 per cent owned by Sparebanken Øst and are included in the bank's consolidated financial statements.

Sparebanken Øst Boligkreditt AS is licensed as a credit institution with the right to issue covered bonds. Through this market, the mortgage company is a very important player in providing the Group with favourable long-term financing. At the end of 2021, the company had total assets of NOK 20.7 billion, consisting mainly of first priority mortgages on homes financed through covered bonds and drawing rights from the parent bank. The company has a low loan-to-value (LTV) ratio in the cover pool. The loan-to-value at the end of 2021 was 45.4 per cent, against 48.3 per cent at the end of 2020. In 2021, the company had a profit of NOK 118.9 million against NOK 107.4 million in 2020. The company has no employees, but sources services from Sparebanken Øst.

AS Finansiering's main product is secured loan financing for used cars. At the end of 2021, the company had total assets of NOK 2.5 billion. In 2021, the company made a profit of NOK 52.2 million, against NOK 53.0 million in 2020. The company has 17 employees, corresponding to 17 full-time equivalents.

Sparebanken Øst Eiendom AS manages properties belonging to the bank. The company's operating income totalled NOK 5.4 million in 2021, against NOK 25.2 million in 2020. NOK 19.8 million in profits from the sale of property was recognised as income in Q1 2020. In 2021, the company had a profit of 1.3 million, against NOK 21.1 million in 2020. The company has 1.2 employees, corresponding to 1.2 full-time equivalents.

Øst Projekt AS's main object is to take over projects and to undertake industrial and commercial activities to hedge and realise exposed positions in the parent bank. In 2021, the company had a profit of 1.1 million against a loss of NOK 0.4 million in 2020.

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 grants, due consideration will be made of the bank's financial performance, market situation, dividend stability, and need for Tier 1 capital.

The macro situation

The coronavirus pandemic is still affecting the Norwegian economy at the beginning of 2022. The government again introduced wide-ranging measures at the end of the year to curb the spread of infection. The vaccination rate in the population is high and, together with the knowledge we have acquired after almost two years of the pandemic, will hopefully help us to return relatively quickly to normal activity in society.

Growth in mainland GDP was negative in the first quarter because of extensive infection protection measures. From the start of the second quarter, growth has been high and forecasts indicate that growth for 2021 will be around four per cent despite the fresh restrictions introduced in December. A normalisation of household behaviour with higher consumption, especially of services, and lower savings is a major factor behind this growth. The strong growth must also be seen in light of the 2.3 per cent decrease in mainland GDP in 2020.

Unemployment fell sharply through 2021. The decline in unemployment picked up speed as society opened up from the end of the first quarter. At the end of the year, the number completely unemployed was 2.3 per cent, a fall of 1.7 percentage points from December 2020. The number of vacancies was at a record high at the end of the year and demand for labour is high in most industries and regions.

Norges Bank was ahead of most other western central banks in 2021, signalling that interest rates were likely to increase during the year. In September, Norges Bank raised its key policy rate to 0.25 per cent with a further increase to 0.50 per cent in December. The central bank has highlighted high capacity utilisation in the Norwegian economy and signs of increased inflation as reasons for normalising interest rates.

Money market rates moved quite a lot compared to the key policy rate during 2020. The gap between 3m Nibor and the key policy rate was high through the first quarter before falling to the end of June. 3m Nibor rose again from July, ahead of the expected rate increases from Norges Bank.

Inflation in Norway was 3.5 per cent in 2021. An increase in electricity prices of over 70 per cent compared to 2020 was a major cause of higher inflation.

House prices in Norway increased by just over five per cent in 2021. Price growth at the start of the year was very high, but the pace of growth slowed from the summer. Price growth in the bank's local market was higher than in the country as a whole. The prospect of increased interest rates, and the fact that price levels in many areas are now high, may have a dampening effect on house prices going forward. Residential sales remained high throughout 2021 and the number of homes sold in Norway passed 100,000 units for the first time during the year.

Future prospects

Growth in the Norwegian economy is expected to be high in 2022, although activity levels in the first quarter may be muted by the anti-infection measures. The GDP forecasts for mainland Norway indicate growth of well four per cent this year, well above the trend in the economy. The authorities and businesses have gained plenty of experience tackling new outbreaks of infection, and the risk of measures weakening growth in the Norwegian economy in the long term is considered to be small.

The labour market is showing a high level of activity and the number of unemployed people compared to the number of vacancies is at a record low. The scarcity of labour affects almost all industries and all parts of the country. The unemployment rate is likely to fall further through 2022 although there could be a temporary increase at the start of the year.

Expectations for wage growth over the next few years have risen as a result of labour shortages and rising inflation. There is great uncertainty surrounding future inflation. If inflation leads to increased wages, it could again cause more prolonged price growth.

Norges Bank has signalled that it will most probably raise its key policy rate once more in March. The market is now pricing in a total of four rate increases during 2022, and assumes that the key policy rate will be 1.50 per cent at the end of the year.

Money market rates rose rapidly at the start of the year and are likely to continue to rise ahead of Norges Bank's expected rate increases. That points to higher deposit costs in the quarters ahead. Competition for loan customers is strong and will put pressure on the bank's net interest rate going

forward. Following the rate increase from Norges Bank in December, a large proportion of the bank's lending portfolio was repriced with effect from mid-February 2022.

Good wage growth, low unemployment and a well-functioning housing market leave scope for lending growth in 2022. Growth in the retail market will come mainly from home mortgages and secured loans to purchase second-hand cars. Growth in lending to business customers will occur in the Group's defined market areas, where the main product is repayment loans secured against property. 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.

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

Banking involves risking losses and default, which means that losses on lending and guarantees to customers cannot be ruled out. Low levels of non-performing commitments and low losses on lending are expected to continue.

The market values of securities such as bonds and equities will fluctuate over time, and losses may occur. The Group's bond portfolio is held for liquidity purposes, with a low risk of losses. The bank expects positive profit contributions from ownership interests in other companies to continue in 2022.

Sparebanken Øst bases its capital calculations on the principles in the standard method. Government regulation within the capital and solvency area produces great competitive advantages for those banks that can utilise IRB models. 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 could 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 is working to ensure that the framework conditions for Norwegian banks become more aligned and that the banks compete on the same terms. 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.

Hokksund, 31 December 2021

Drammen, February 10, 2022

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 million)	Note	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Interest income from assets valued at amortised cost		237,2	217,7	896,9	992,9
Interest income from assets valued at fair value		21,3	20,3	69,7	128,6
Interest costs		95,7	74,0	335,3	489,3
Net interest income	15	162,8	164,0	631,3	632,1
Commission income and income from banking services		24,1	19,8	79,4	78,0
Commission costs and costs for banking services		12,1	11,6	46,1	42,9
Dividend		0,0	6,4	71,4	11,8
Net value changes and gains/losses on financial instruments	16	19,1	-3,7	18,4	136,3
Other operating income		0,5	3,3	6,4	29,3
Net other operating income		31,6	14,2	129,5	212,6
Payroll, etc.		46,0	46,3	175,8	167,4
Administration costs		16,8	15,4	60,9	57,4
Depreciation/write-downs/changes in value for non-financial assets		6,8	7,4	27,6	27,3
Other operating costs		9,5	12,9	41,3	43,9
Total operating costs	17	79,0	81,9	305,7	296,0
Profit/loss before losses		115,4	96,3	455,2	548,7
Losses on loans, unused credit and guarantees	4	-1,0	3,7	0,5	15,1
Profit/loss before tax costs		116,4	92,6	454,7	533,6
Tax costs		18,7	20,6	79,3	80,4
Profit/loss after tax		97,7	72,0	375,4	453,1
Hybrid capital owners' share of the result		3,7	3,4	14,1	15,9
Equity certificate holders' and primary capital share of profits		94,0	68,5	361,4	437,2
Profit/loss after tax		97,7	72,0	375,4	453,1
Earnings per equity certificate		1,34	1,04	5,16	6,62
Diluted earnings per equity certificate		1,34	1,04	5,16	6,62

Total income - Group

(Amounts in NOK million)	Note	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Profit/loss after tax		97,7	72,0	375,4	453,1
Items that will not be reclassified to the income statement					
Actuarial gains and losses on defined-benefit plans		12,2	-2,4	12,2	-2,4
Tax related to items that cannot be reclassified		-3,0	0,6	-3,0	0,6
Comprehensive income		106,9	70,2	384,6	451,4

Balance Sheet – Group

(Amounts in NOK million)	Note	31.12.2021	31.12.2020
Assets			
Cash and receivables from central banks	10,11	302,6	409,4
Loans to and receivables from financial institutions	10,11	11,0	13,4
Loans to and receivables from customers	4,7,8,10,11	39.386,7	35.443,8
Certificates and bonds	10,11	7.198,9	6.790,2
Shares and units	10,11	848,6	811,0
Financial derivatives	10,11,13,14	156,5	374,1
Investment properties		11,7	11,9
Tangible fixed assets		148,6	145,1
Lease rights		41,2	44,1
Other assets		8,4	14,9
Prepaid non-accrued costs and income earned, but not received		13,5	11,7
Total assets		48.127,6	44.069,7
Liabilities and equity			
Liabilities to financial institutions	10,11	300,3	601,0
Deposits from and liabilities to customers	6,10,11	17.578,9	14.845,1
Financial derivatives	10,11,13,14	15,4	17,9
Securities issued	10,11,12	24.684,0	23.111,0
Other liabilities		329,9	501,8
Accruals and deferred income		42,6	43,0
Other provisions and liabilities		36,8	62,9
Deferred tax liability		3,7	0,0
Lease liabilities		42,2	44,9
Subordinated loan capital	10,11,12	400,4	400,1
Total liabilities		43.434,2	39.627,7
Paid-up equity		595,1	595,1
Hybrid capital		351,9	351,7
Retained earnings		3.746,4	3.495,1
Total equity		4.693,4	4.442,0
Total liabilities and equity		48.127,6	44.069,7

Changes in equity - Group

(Amounts in NOK millions)	Paid-up equity			Hybrid capital		Retained earnings			Fund for Other equity	
	Total equity	Equity certificates	Share capital	Hybrid tier 1 reserve	Equalisation fund	Primary capital	Endowment fund	unrealised gains		
	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
Ordinary result	375,4	0,0		0,0	14,1	91,3	217,2	0,0	38,9	14,0
Actuarial gains and losses on defined-benefit	9,1	0,0		0,0	0,0	2,6	6,2	0,0	0,0	0,4
Comprehensive income	384,6	0,0		0,0	14,1	93,9	223,4	0,0	38,9	14,3
Dividend to equity certificate holders 2020 - a	-93,3	0,0		0,0	0,0	-93,3	0,0	0,0	0,0	0,0
Dividend to social capital 2020 - adopted	-25,9	0,0		0,0	0,0	0,0	-25,9	0,0	0,0	0,0
Interest paid on hybrid capital	-14,0	0,0		0,0	-14,0	0,0	0,0	0,0	0,0	0,0
Equity as at 31.12.2021	4.693,4	207,3		387,8	351,9	413,3	2.361,5	38,1	473,7	459,9

The year's proposed dividend for equity certificate holders of NOK 79.8 million (NOK 3.85 per equity certificate) is being held as part of the equalisation fund, and the year's proposed provisions for good causes of NOK 79.8 million are being held as part of primary capital until they are finally approved by the Board of Trustees.

(Amounts in NOK millions)	Paid-up equity			Hybrid capital		Retained earnings			Fund for Other equity	
	Total equity	Equity certificates	Share capital	Hybrid tier 1 reserve	Equalisation fund	Primary capital	Endowment fund	unrealised gains		
	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
Ordinary result	453,1	0,0		0,0	15,9	82,2	179,5	0,0	157,3	18,3
Actuarial gains and losses on defined-benefit	-1,8	0,0		0,0	0,0	-0,6	-1,3	0,0	0,0	0,1
Comprehensive income	451,4	0,0		0,0	15,9	81,6	178,3	0,0	157,3	18,4
Dividend to equity certificate holders 2019 - a	-74,6	0,0		0,0	0,0	-74,6	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
Interest paid on hybrid capital	-16,6	0,0		0,0	-16,6	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

Cash Flow Statement - Group

(Amounts in NOK millions)	31.12.2021	31.12.2020
Operating activities		
Profit before tax	454,7	533,6
Adjusted for:		
Change in net interest income earned and accrued interest costs	-1,6	-10,0
Net receipts/payments of loans to customers	-3.941,8	-1.247,1
Change in certificates and bonds	-407,6	-41,6
Changes in value of equities and units	-43,9	-161,5
Change in other assets in connection with operations	-11,5	31,6
Net receipts/disbursement of deposits from customers	2.736,5	53,7
Change in other operating liabilities	-212,5	153,9
Non-cash items included in profit before tax costs	19,2	42,3
Net gain/loss from investing activities	-0,6	-20,2
Net gain/loss from financing activities	0,3	9,6
and the year's proposed provisions for good causes of NOK 79,8 million are being held as part of primary capital unit	-87,7	-99,5
Net cash flow from operating activities	-1.496,4	-755,3
Investing activities		
Payments on purchases of tangible fixed assets	-21,8	-33,5
Proceeds from sale of fixed assets	1,1	72,1
Net proceeds/costs on the sale/purchase of financial investments	6,4	-19,9
Net cash flow from investing activities	-14,3	18,7
Financing activities		
Net incoming/outgoing payments for loans to/from financial institutions	-300,0	300,0
Payments on repayment of securities	-2.554,5	-4.364,9
Proceeds on issuance of securities	4.363,2	4.997,1
Payment of dividend	-93,3	-74,6
Interest paid on hybrid capital	-14,0	-16,6
Net cash flow from financing activities	1.401,4	840,9
Net change in cash and cash equivalents	-109,3	104,4
Cash and cash equivalents at 01.01.	422,8	318,3
Holdings of cash and cash equivalents at end of period	313,6	422,8
Liquidity reserves include cash and deposits with central banks and loans to and deposits with financial institutions which are pure investments.		
Additional information on operating activities relating to interest and dividend income	31.12.2021	31.12.2020
Interest payments received	957,4	1.147,5
Interest payments made	296,9	523,5
Dividends received	71,4	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 requires the management to make estimates and discretionary assessments and to make assumptions which influence the effect of applying the accounting policies and hence the recognised amounts for assets, liabilities, income

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.

Income statement		Sparebanken Øst Eiendom AS					
31.12.2021	MARKET	market	Finance AS	Finansiering	Unallocated	Eliminations	Group
Net interest and commission income	348,8	127,6	-23,3	138,8	-0,5	39,1	0,8
Other operating income	57,6	8,1	-1,1	-25,9	5,4	87,9	-2,4
Operating costs	65,5	12,2	0,0	37,2	3,2	193,9	-6,2
Profit/loss before losses	340,9	123,5	-24,4	75,7	1,8	-66,9	4,5
Losses on loans, unused credit and guarantees	4,4	-9,8	0,0	6,0	0,0	-0,1	0,0
Profit/loss before tax costs	336,5	133,3	-24,4	69,7	1,8	-66,7	4,5
Tax costs	0,0	0,0	0,0	17,5	0,4	60,2	1,1
Profit/loss after tax	336,5	133,3	-24,4	52,2	1,3	-126,9	3,4
31.12.2020		Sparebanken Øst Eiendom AS					
31.12.2020	Retail market	market	Finance AS	Finansiering	Unallocated	Eliminations	Group
Net interest and commission income	351,0	134,4	-33,4	137,5	-0,4	39,4	3,6
Other operating income	54,9	7,9	-13,4	-20,9	25,2	167,0	-8,1
Operating costs	54,5	19,3	0,0	34,7	3,4	189,8	-5,7
Profit/loss before losses	351,4	123,0	-46,7	81,8	21,4	16,5	1,2
Losses on loans, unused credit and guarantees	0,4	3,6	0,0	11,1	0,0	0,0	0,0
Profit/loss before tax costs	351,0	119,4	-46,7	70,7	21,4	16,5	1,2
Tax costs	0,0	0,0	0,0	17,8	0,4	62,2	0,1
Profit/loss after tax	351,0	119,4	-46,7	53,0	21,1	-45,7	1,1
Balance sheet		Sparebanken Øst Eiendom AS					
31.12.2021	Retail market	market	Finance AS	Finansiering	Unallocated	Eliminations	Group
Loans to and receivables from customers	32.159,0	4.397,9	0,6	2.416,3	0,0	440,8	-28,0
Other assets	3,7	0,0	7.763,4	49,1	105,5	3.803,9	-2.984,6
Total assets	32.162,7	4.397,9	7.764,0	2.465,4	105,5	4.244,6	-3.012,7
Deposits from and liabilities to customers	12.271,9	2.862,6	2.321,0	0,0	0,0	180,0	-56,6
Other liabilities/offsetting	19.890,8	1.535,3	5.443,0	2.042,2	33,9	-487,0	-2.602,9
Equity	0,0	0,0	0,0	423,3	71,7	4.551,6	-353,2
Total liabilities and equity	32.162,7	4.397,9	7.764,0	2.465,4	105,5	4.244,6	-3.012,7
31.12.2020		Sparebanken Øst Eiendom AS					
31.12.2020	Retail market	market	Finance AS	Finansiering	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
Other assets	4,9	0,0	7.673,3	45,7	105,6	3.817,5	-3.021,2
Total assets	27.879,7	4.931,5	7.681,3	2.234,4	105,6	4.283,1	-3.045,9
Deposits from and liabilities to customers	9.500,2	3.519,9	1.734,7	0,0	0,0	149,1	-58,8
Other liabilities/offsetting	18.379,5	1.411,6	5.946,5	1.810,6	33,8	-168,8	-2.630,8
Equity	0,0	0,0	0,0	423,8	71,8	4.302,8	-356,4
Total liabilities and equity	27.879,7	4.931,5	7.681,3	2.234,4	105,6	4.283,1	-3.045,9

Note 3 - Capital adequacy

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

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

	31.12.2021	31.12.2020
CET1 capital		
Book equity	4.341,5	4.090,2
Deduction items in CET1 capital		
Additional value adjustments (prudent valuation requirement) (AVA)	-8,5	-8,4
Dividends*	-159,6	-119,2
Goodwill included in the valuation of significant investments	-229,0	-223,1
Intangible assets	-32,3	-32,5
CET1 capital instruments in other financial institutions (not significant)	0,0	0,0
CET1 capital instruments in other financial institutions (significant)	0,0	0,0
Other deductions from CET1 capital	-46,8	-31,0
Total CET1 capital	3.865,3	3.676,2
Other tier 1 capital		
Hybrid tier 1 capital	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
Other tier 1 capital instruments in other financial institutions (significant)	0,0	0,0
Total other tier 1 capital	350,0	350,0
Total tier 1 capital	4.215,3	4.026,2
Tier 2 capital		
Subordinated loans	400,0	400,0
Deductions from tier 2 capital		
Tier 2 capital instruments in other financial institutions (not significant)	0,0	0,0
Tier 2 capital instruments in other financial institutions (significant)	0,0	-56,6
Total tier 2 capital	400,0	343,4
Net subordinated loan capital	4.615,3	4.369,6

Note 3 - Capital adequacy (contd.)

	31.12.2021	31.12.2020
Governments and central banks	0,0	0,0
Local and regional authorities	33,5	86,3
Publicly owned companies	0,0	0,0
Multilateral development banks	0,0	0,0
Institutions	39,0	46,0
Companies	243,1	435,4
Mass market accounts	2.825,3	1.696,0
Accounts secured against property	14.268,2	14.233,5
Accounts due	225,2	187,4
High-risk commitments	438,1	654,5
Covered bonds	542,8	476,5
Shares in securities fund	0,0	0,0
Equity positions	905,9	921,6
Other exposures	184,3	241,4
Securitisation	0,0	0,0
Calculation basis for credit and counterparty risk	19.705,3	18.978,6
Calculation basis for currency risk	0,0	0,0
Calculation basis for operational risk	1.454,4	1.444,9
Calculation basis for impaired counterparty credit valuation adjustment (CVA)	30,3	48,0
Deductions from calculation basis	0,0	0,0
Total calculation basis	21.190,0	20.471,4

CET1 capital ratio*	18,24 %	17,96 %
Tier 1 capital ratio*	19,89 %	19,67 %
Capital adequacy*	21,78 %	21,34 %

Buffers		
Capital conservation buffer	529,7	511,8
Countercyclical buffer	211,9	204,7
Systemic risk buffer	635,7	614,1
Buffer for systemically important banks	0,0	0,0
Total buffer requirements	1.377,3	1.330,6
Available buffer capital	2.911,8	2.731,9

Leverage ratio	8,60 %	9,03 %
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* 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 pay 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 latest by 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 decided to 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 in calculating the Group's capital adequacy at 31.12.2020.

Note 4 - Losses on loans, unused credit and guarantees

Loss costs

	Q4 2021	Q4 2020	31.12.2021	31.12.2020
Change in model-based provisions, Stage 1	-10,4	1,3	-10,0	3,6
Change in model-based provisions, Stage 2	5,7	0,7	2,6	3,3
Change in model-based provisions, Stage 3	0,3	0,0	1,0	-0,3
Increase in existing individual loan loss provisions	2,4	-0,1	10,2	6,1
New individual loan loss provisions	3,0	2,9	8,3	10,1
Established losses covered by previous individual loan loss provisions	0,8	1,6	4,0	6,0
Reversals of previous individual loan loss provisions	-1,9	-1,8	-10,9	-10,3
Established losses not covered by previous individual loan loss provisions	0,3	0,1	0,5	1,0
Recovery of previously identified losses	-1,1	-1,0	-5,3	-4,6
Amortisation costs for the period	0,0	0,0	0,0	0,0
Losses on loans, unused credit and guarantees	-1,0	3,7	0,5	15,1
- of which losses on lending to retail customers of the parent bank and mortgage cr	2,8	0,2	3,0	-0,1
- of which losses on lending to business customers	-5,6	0,5	-8,7	3,7
- of which losses on lending AS Financiering	1,5	2,8	6,0	11,1
- of which losses on unused credit and guarantees	0,3	0,2	0,2	0,4

Changes in loan loss provisions

Group - 31.12.2021	Expected credit loss led credit loss led credit loss			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 01.01.2021	23,4	12,3	89,6	125,3
Transferred to Stage 1	5,8	-5,0	-0,8	0,0
Transferred to Stage 2	-1,1	1,5	-0,4	0,0
Transferred to Stage 3	-0,3	-1,2	1,5	0,0
Net change	-13,8	4,8	11,9	3,0
New losses	7,1	4,4	1,5	13,0
Deducted losses	-7,6	-2,5	-5,0	-15,1
Change in risk model/parameters	-0,1	0,6	0,0	0,4
Closing balance as at 31.12.2021	13,5	14,8	98,2	126,5
- of which loss provisions on lending to retail customers of the parent bank and mor	6,6	6,0	3,7	16,3
- of which loss provisions on lending to business customers	2,2	1,6	0,5	4,3
- of which loss provisions on lending AS Financiering	3,9	6,9	93,8	104,5
- of which loss provisions on unused credit and guarantees	0,8	0,4	0,3	1,4
Model-calculated loss provisions	13,5	14,8	1,3	29,7
Individual loan loss provisions	0,0	0,0	96,8	96,8

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

Group - 31.12.2020	Expected credit 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 more	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 loan 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 stage

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

Group - 31.12.2021	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	357,6	-350,6	-7,0	0,0
Transferred to Stage 2	-727,2	734,0	-6,7	0,0
Transferred to Stage 3	-102,5	-62,5	165,0	0,0
Net change	-899,6	-71,6	-39,2	-1.010,3
New loans	20.405,4	286,8	16,0	20.708,2
Deducted lending	-15.432,4	-205,9	-30,2	-15.668,6
Closing balance as at 31.12.2021	37.848,4	1.091,5	298,2	39.238,1
- of which lending to retail customers of the parent bank and mortgage credit comp:	31.590,8	660,5	47,5	32.298,8
- of which lending to business customers	4.182,2	164,1	72,1	4.418,4
- of which lending AS Financiering	2.075,3	267,0	178,5	2.520,8
- of which loans with forbearance	0,0	154,2	26,3	180,4
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 comp:	27.715,6	201,5	21,7	27.938,8
- of which lending to business customers	4.745,1	228,0	9,2	4.982,3
- of which lending AS Financiering	1.786,3	331,8	169,5	2.287,6
- of which loans with forbearance	0,0	64,9	0,8	65,7

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

Model-based expected credit loss

The economic outlook at the end of 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 long-term effects of the Covid-19 pandemic.

The probability weighting of the macro scenarios used in calculating model-based expected credit loss has changed at the end of 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 been reduced to 25 per cent from the previous figure of 30 per cent, while the expected scenario has increased to 75 per cent from the previous figure of 70 per cent. The effect of the change amounts to NOK 1.6 million in reduced loan loss provisions in Stages 1 and 2. The factors for the different scenarios, which express the amount of expected credit loss in the optimistic and pessimistic scenarios compared to the expected loss in the expected scenario, are unchanged for all segments except commercial property compared to 31.12.2020. In the commercial property segment, the factor has been increased from 300 to 600 from 31.12.2021.

From the fourth quarter of 2021, model-based expected loss is based on a customer-specific probability of default (PD) from the scoring model and changes to it. This is a change from the probability of default per risk class used earlier (based on the customer's risk class). This change is the main reason for this year's changes in model-based loan loss provisions over and above the effect of altered probability weights and the increased amount of commitments in Stage 2.

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

31.12.2021 – Group	Probability				Total
	weight	Stage 1	Stage 2	Stage 3	
Optimistic scenario	0 %	8,1	9,1	97,7	114,9
Expected scenario	75 %	10,2	11,4	97,9	119,4
Pessimistic scenario	25 %	23,5	25,1	99,2	147,7
Loan loss provisions (probability-weighted)	100 %	13,5	14,8	98,2	126,5

Note 5 - Non-performing commitments, customers

	31.12.2021	31.12.2020
Payment defaults (in excess of 90 days)		
Business	7,2	9,7
+ Retail	8,0	14,1
+ AS Financiering	160,2	169,5
= Gross payment defaults	175,3	193,3
- Loan loss provisions	97,2	89,6
= Net payment defaults	78,1	103,7
Other non-performing commitments		
Business	65,6	0,5
+ Retail	39,6	7,6
+ AS Financiering	18,3	0,0
= Gross other non-performing commitments	123,6	8,1
- Loan loss provisions	1,0	0,0
= Net other non-performing commitments	122,5	8,1
Non-performing commitments		
Business	72,8	10,2
+ Retail	47,5	21,7
+ AS Financiering	178,5	169,5
= Gross non-performing commitments	298,8	201,4
- Loan loss provisions	98,2	89,6
= Net non-performing commitments	200,7	111,8

With effect from 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 25.8 million as at 31.12.2021. Together with one denounced commitment (classified under 'Other non-performing commitments'), this accounts for most of the increase in net non-performing commitments compared to 31.12.2020.

Note 6 - Deposits from customers by sector and industry

	31.12.2021	31.12.2020
Salaried employees	11.442,0	8.440,4
Public administration	445,2	621,3
Agriculture, forestry and fishing, etc.	90,8	106,4
Industry and mining, power and water supply	791,5	862,2
Building and construction	560,9	568,6
Wholesale and retail trade, hotels and restaurants	528,2	449,8
Transport and communications	154,1	476,5
Business financial services	1.761,7	1.362,9
Other service industries	878,6	889,5
Real estate sales and operation	806,5	944,6
Abroad	119,4	123,0
Total customer deposits	17.578,9	14.845,1

Note 7 - Loans to customers by sector and industry

	31.12.2021	31.12.2020
Salaried employees	35.007,9	30.497,6
Public administration	7,1	0,0
Agriculture, forestry and fishing, etc.	83,6	104,7
Industry and mining, power and water supply	59,0	65,2
Building and construction	730,8	436,3
Wholesale and retail trade, hotels and restaurants	117,2	119,1
Transport and communications	29,7	40,2
Business financial services	85,3	214,8
Other service industries	639,8	808,1
Real estate sales and operation	2.720,2	3.245,5
Abroad	31,1	36,1
Gross lending to customers	39.511,8	35.567,9
Loss provisions on loans	-125,1	-124,1
Net lending to customers	39.386,7	35.443,8

Note 8 - Geographical distribution of lending, customers

	31.12.2021	31.12.2020
Drammen	7.344,9	7.598,9
Øvre Eiker	2.021,0	2.075,5
Asker/Bærum	5.921,5	5.275,9
Rest of Viken	7.740,2	6.927,2
Oslo	9.097,3	7.617,5
Vestfold/Telemark	3.384,5	3.043,1
Rest of Norway	3.971,3	2.993,7
Abroad	31,1	36,1
Gross lending to customers	39.511,8	35.567,9
Loss provisions on loans	-125,1	-124,1
Net lending to customers	39.386,7	35.443,8

Note 9 - Credit risk

Risk classification of retail and corporate customers is an integral part of the credit process for retail customers for the approval and overall management of the portfolio. Customers are classified based on scoring models developed using statistical methods that estimate the probability of default (PD). Models are based on information about the customer's finances and behaviour. The risk classification takes the form of assessments of new loan applications, followed by monthly reclassification based on available information about changes in the customer's finances and behaviour. The risk classification consists of 11 categories from A to K, where risk class A represents the lowest credit risk and risk class I represents the highest risk for customers not in default. Risk classes J and K cover commitments where there is objective evidence of non-performance, and the commitments are placed under special surveillance.

Probability of default per risk class

Risk class	From	To
A	0,00 %	0,10 %
B	0,10 %	0,25 %
C	0,25 %	0,50 %
D	0,50 %	0,75 %
E	0,75 %	1,50 %
F	1,50 %	2,75 %
G	2,75 %	5,00 %
H	5,00 %	10,00 %
I	10,00 %	99,99 %
Y and K	99,99 %	100,00 %

31.12.2021	Gross lending**	Guarantee liabilities	Overdraft facilities	commitments	Total %	Loan loss provision, Commitment Stage 1		Loan loss provision, Commitment Stage 2		Loan loss provision, Commitment Stage 3	
						Stage 1	Stage 2	Stage 1	Stage 2	Stage 3	Stage 3*
A	13.181,3	24,5	1.143,4	14.349,2	33,4	14.336,6	1,0	12,6	0,0	0,0	0,0
B	17.391,2	9,1	1.987,9	19.388,2	45,1	19.334,8	4,1	53,4	0,0	0,0	0,0
C	5.007,0	19,3	194,6	5.220,9	12,2	5.158,9	2,3	62,0	0,1	0,0	0,0
D	1.402,8	2,2	32,6	1.437,6	3,3	1.163,1	0,9	274,5	1,1	0,0	0,0
E	927,8	1,6	11,8	941,2	2,2	755,6	1,2	185,6	1,0	0,0	0,0
F	665,7	0,0	2,3	668,0	1,6	521,9	1,4	146,1	1,0	0,0	0,0
G	294,6	0,6	3,9	299,1	0,7	195,4	0,9	103,8	1,2	0,0	0,0
H	145,2	0,0	0,9	146,2	0,3	34,6	0,3	111,5	1,8	0,0	0,0
I	198,8	0,2	1,8	200,9	0,5	31,9	1,3	168,9	8,6	0,0	0,0
J	113,5	0,2	0,0	113,7	0,3	0,0	0,0	0,0	0,0	113,7	0,0
K	183,6	1,0	0,0	184,5	0,4	0,0	0,0	0,0	0,0	184,5	98,2
Unallocated	0,3	0,0	0,0	0,3	0,0	0,3	0,0	0,0	0,0	0,0	0,0
Total	39.511,8	58,7	3.379,3	42.949,8	100,0	41.533,0	13,5	1.118,5	14,8	298,3	98,2

* Stage 3 provisions include individually assessed loan loss provisions of NOK 96,8 million.

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

31.12.2020	Gross lending**	Guarantee liabilities	Overdraft facilities	commitments	Total %	Loan loss provision, Commitment Stage 1		Loan loss provision, Commitment Stage 2		Loan loss provision, Commitment Stage 3	
						Stage 1	Stage 2	Stage 1	Stage 2	Stage 3	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 loan loss provisions of NOK 89,3 million.

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

Note 10 - Classification of financial instruments

#REF!	fair value through profit or loss		Measured at amortised cost*	Total
	Mandatory	Designated		
Cash and receivables from central banks	0,0	0,0	302,6	302,6
Net loans to and receivables from financial institutions	0,0	0,0	11,0	11,0
Net loans to and receivables from customers	0,0	273,7	39.113,0	39.386,7
Certificates and bonds	7.198,9	0,0	0,0	7.198,9
Shares and units	848,6	0,0	0,0	848,6
Financial derivatives**	156,5	0,0	0,0	156,5
Total financial assets	8.204,0	273,7	39.426,5	47.904,2
Liabilities to financial institutions	0,0	0,0	300,3	300,3
Deposits from and liabilities to customers	0,0	0,0	17.578,9	17.578,9
Financial derivatives**	15,4	0,0	0,0	15,4
Securities issued	0,0	0,0	24.684,0	24.684,0
Lease liabilities	0,0	0,0	42,2	42,2
Subordinated loan capital	0,0	0,0	400,4	400,4
Total financial liabilities	15,4	0,0	43.005,8	43.021,2

* Includes hedged debt

** Includes derivatives for which hedge accounting is used

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

* Includes hedged debt

** Includes derivatives for which hedge accounting is used

Note 11 - Financial instruments at fair value

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

Level 1: Observable market prices in active markets.

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

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

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

#REF!	Level 1	Level 2	Level 3	Total
Fair value				
Loans to and receivables from customers			273,7	273,7
Certificates and bonds	0,0	7.198,9		7.198,9
Shares and units	67,8	0,0	780,8	848,6
Financial derivatives		156,5		156,5
Total assets at fair value	67,8	7.355,4	1.054,5	8.477,7
Financial derivatives	0,0	15,4	0,0	15,4
Total liabilities at fair value	0,0	15,4	0,0	15,4

Movements in level 3 for items valued at fair value	Fixed-rate loans	through profit or loss	Total
Balance sheet as at 01.01.2021	359,1	746,9	1.106,0
Net realised gains	0,0	0,0	0,0
Additions	70,1	2,2	72,3
Disposals	147,7	8,7	156,3
Changes in value	-7,9	40,4	32,5
Transferred from levels 1 and 2	0,0	0,0	0,0
Balance sheet at end of period	273,7	780,8	1.054,5

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

Note 12 - Securities issued and subordinated loan capital

Securities issued	31.12.2021	31.12.2020
Bonds, nominal value	24.448,0	22.717,0
Value adjustments (incl. excess/deficit value)	158,1	314,0
Accrued interest	77,9	79,9
Total securities issued	24.684,0	23.111,0

Change in securities issued	31.12.2021	Issued	Due/redeemed	Change		31.12.2020
				own holding	Other changes currency	
Ordinary senior bonds, nominal value	6.398,0	400,0	1.547,0	0,0	0,0	7.545,0
Senior non-preferred bonds (SNP), nominal value	400,0	400,0				0,0
Covered bonds, nominal value in NOK	17.650,0	4.500,0	2.300,0	-278,0	0,0	15.172,0
Value adjustments (including premium/discount)	158,1				-155,9	314,0
Accrued interest	77,9				-2,1	79,9
Total securities issued	24.684,0	5.300,0	3.847,0	-278,0	-158,0	23.111,0

Change in subordinated loan capital	31.12.2021	Issued	Due/redeemed	Change		31.12.2020
				own holding	Other changes changes incl.	
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	0,6	0,0	0,0	0,0	0,1	0,5
Total subordinated loan capital	400,4	0,0	0,0	0,0	0,3	400,1

Note 13 - Financial derivatives

#REF!	Contract sum	Book value of hedging object	Fair value of hedging instruments		adjustment of hedging object Liabilities
			Assets	Liabilities	
Fair value through profit or loss					
Forward exchange contracts	69,8		1,0	0,0	
Interest rate swaps (IRS)	690,0		1,9	3,5	
Total at fair value through profit or loss			2,9	3,5	

#REF!	Contract sum	Book value of hedging object	Fair value of hedging instruments	Value adjustment of hedging object Liabilities
Total				
Used for hedge accounting				
Interest rate swaps (IRS)	5.725,0		153,6	0,0
Securities issued		5.864,6		86,6
Total used for hedge accounting		5.864,6	153,6	86,6
Total		5.864,6	156,5	3,5

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.

#REF!	Contract sum	Book value of hedging object	Fair value of hedging instruments		Value adjustment of hedging object Liabilities
			Assets	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 offsetting rights adhere to the general rules in Norwegian law. Standardised and mainly bilateral ISDA agreements have been entered into with financial institutions, which give the parties offsetting rights in the event of default. Additional agreements have also been entered into on the provision of security (CSA). In accordance with the disclosure requirements for offsetting, no offset amounts are recognised on the balance sheet.

	Gross amount	Offset	Amount Recognised subject to net settlement	Amount Exchanged collateral security	Amount in accordance with any net settlement
Exposure as at 31.12.2021					
Financial derivatives, assets	156,5	0,0	156,5	-14,0	-108,7
Financial derivatives, liabilities	15,4	0,0	15,4	-14,0	-4,8
Exposure as at 31.12.2020					
Financial derivatives, assets	374,1	0,0	374,1	-13,4	-266,0
Financial derivatives, liabilities	17,9	0,0	17,9	-13,4	-6,0
					-1,5

Note 15 - Net interest income

	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Interest income from loans to and receivables from financial institutions	0,3	0,0	0,3	1,7
Interest income from loans to customers	238,9	220,4	905,2	1.002,3
Interest income from certificates and bonds	19,4	17,6	61,1	117,4
Total interest income	258,5	238,1	966,6	1.121,4
Interest costs on liabilities to financial institutions	1,5	2,0	6,3	8,5
Interest on deposits from customers	24,3	17,9	86,0	106,5
Interest on securities issued	64,5	48,6	222,4	349,3
Interest on subordinated loan capital	2,0	1,7	7,3	9,2
Norwegian Banks Guarantee Fund levy	3,3	4,0	13,3	15,9
Total interest costs	95,7	74,0	335,3	489,3
Net interest income	162,8	164,0	631,3	632,1

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

	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Net changes in value and gains/losses on certificates and bonds	-18,3	-7,3	-34,7	-10,0
Net value change and gains/losses on shares	35,7	-3,9	44,0	161,5
Net changes in value and gains/losses on fixed-interest loans	-1,5	-2,8	-7,9	6,8
Net changes in value and gains/losses on other financial instruments	3,1	10,4	17,0	-22,0
Net value change and gains/losses on financial instruments	19,1	-3,7	18,4	136,3

Note 17 - Operating costs

	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Payroll costs incl. AGA and Financial Activity Tax	44,0	40,8	158,1	146,1
Pension costs	0,8	4,5	12,9	16,5
Other personnel-related costs	1,2	1,0	4,9	4,7
IT costs	11,3	11,4	43,2	42,9
Other administrative costs	5,4	4,0	17,8	14,5
Depreciation/write-downs/changes in value for non-financial assets	6,8	7,4	27,6	27,3
Operating costs, properties and premises	2,1	1,6	8,0	8,7
Other operating costs	7,4	11,3	33,3	35,2
Total operating costs	79,0	81,9	305,7	296,0

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

Guarantee liability	31.12.2021	31.12.2020
Payment guarantees	16,4	35,4
Contract guarantees	27,3	33,3
Loan guarantees	6,6	12,6
Other guarantee liabilities	8,4	9,7
Total guarantees to customers	58,7	91,0

Pledges of security	31.12.2021	31.12.2020
Bonds, nominal value, pledged as security for borrowing facilities at Norges Bank	1.340,0	1.520,0
Total pledges of security	1.340,0	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 500.0 million as at 31.12.2021 (NOK 778.0 million as at 31.12.2020) and are not included in the table below.

Preferential rights	31.12.2021	31.12.2020
Preferential rights in accordance with Section 11-15 of the Norwegian Financial Institutions Act (nominal value)	18.150,0	15.950,0
Total preferential rights	18.150,0	15.950,0

Note 19 - Equity certificates

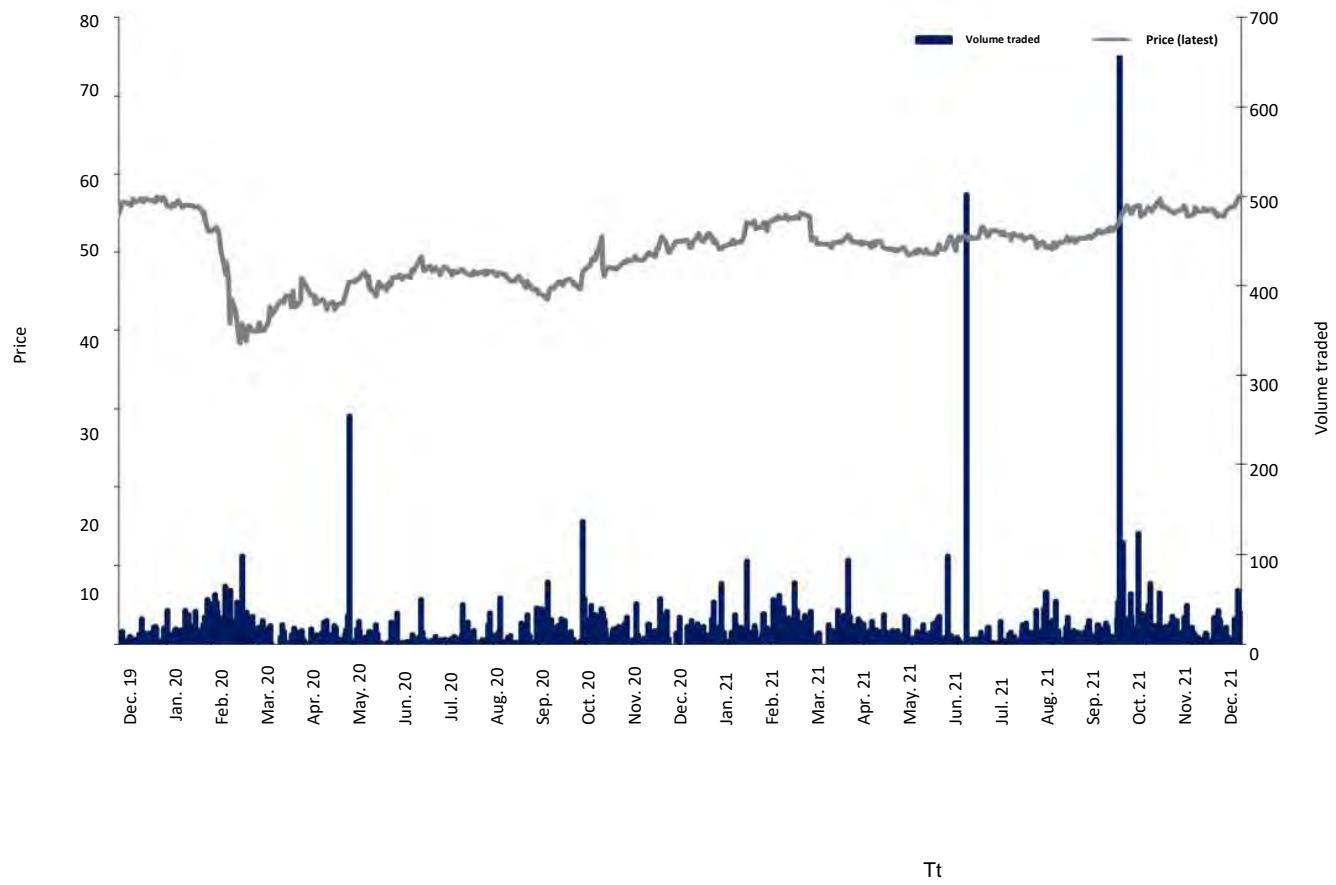
Ownership fraction, parent bank

	01.01.2022	01.01.2021
Equity certificate capital	207,3	207,3
Premium reserve	387,8	387,8
Equalisation fund (excl. dividend)	333,4	319,4
Share of Fund for Unrealised Gains	135,5	128,7
Total numerator (A)	1.064,1	1.043,2
Total equity excl. hybrid capital (dividend provisions for the year excluded)	3.722,5	3.525,6
Total denominator (B)	3.722,5	3.525,6
Ownership fraction (A/B) in per cent*	28,59	29,59

* 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 decided to exercise 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 in 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 31.12.2021

Name	Number	%	Name	Number	%
1 MP Pensjon	1.657.815	8,00 %	11 KLP	185.133	0,89 %
2 VPF Eika Egenkapitalbevis	1.006.528	4,86 %	12 Intertrade Shipping AS	165.000	0,80 %
3 Directmarketing Invest AS	999.500	4,82 %	13 Profond AS	162.107	0,78 %
4 Foretakskonsulenter AS	507.841	2,45 %	14 Johansen, Kjell Petter	152.000	0,73 %
5 Hansen, Asbjørn Rudolf	445.502	2,15 %	15 Morgan Stanley & Co. Intern.	135.490	0,65 %
6 Jag Holding AS	303.897	1,47 %	16 Seriana AS	130.931	0,63 %
7 Wenaasgruppen AS	273.000	1,32 %	17 Teigen, Anne Kristine	121.025	0,58 %
8 BKK Norwegian Public Servi	250.000	1,21 %	18 Nordnet Livsforsikring AS	108.841	0,53 %
9 AS Andersen Eiendomselsk:	238.900	1,15 %	19 Skandinaviska Enskilda Banken	107.000	0,52 %
10 Active Portfolio AS	210.000	1,01 %	20 Wergeland Holding AS	104.933	0,51 %

Income Statement - Parent Bank

(Amounts in NOK million)	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Interest income	137,9	122,5	501,6	605,1
Interest costs	54,2	48,2	199,9	287,5
Net interest income	83,7	74,3	301,6	317,5
Commission income and income from banking services	30,5	25,1	104,5	99,4
Commission costs and costs for banking services	4,6	5,1	17,6	20,1
Dividend	163,7	169,2	235,1	174,6
Net changes in value and gains/losses on financial instruments	18,2	-5,3	17,3	143,9
Other operating income	1,1	1,7	5,8	7,2
Net other operating income	208,9	185,6	345,0	405,0
Payroll, etc.	40,9	40,9	157,8	146,2
Administration costs	14,2	11,7	50,3	45,3
Depreciation/write-downs/changes in value for non-financial assets	6,5	6,8	26,7	26,7
Other operating costs	7,4	8,8	31,2	33,7
Total operating costs	69,0	68,1	265,9	252,0
Profit/loss before losses	223,6	191,8	380,7	470,5
Losses on loans, unused credit and guarantees	-3,6	0,6	-6,9	3,4
Profit/loss before tax costs	227,2	191,3	387,6	467,1
Tax costs	6,5	5,9	26,2	32,2
Profit/loss after tax	220,7	185,4	361,5	434,9
Hybrid capital owners' share of the result	3,7	3,4	14,1	15,9
Equity certificate holders' and primary capital share of profits	217,0	182,0	347,4	419,0
Profit/loss after tax	220,7	185,4	361,5	434,9
Earnings per equity certificate	3,10	2,75	4,96	6,34
Diluted earnings per equity certificate	3,10	2,75	4,96	6,34

Other comprehensive income - parent bank

(Amounts in NOK millions)	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Profit/loss after tax	220,7	185,4	361,5	434,9
Items that will not be reclassified to the income statement				
Actuarial gains and losses on defined-benefit plans	11,7	-2,5	11,7	-2,5
Tax related to items that cannot be reclassified	-2,9	0,6	-2,9	0,6
Items that may later be reclassified to the income statement				
Lending at fair value	0,4	0,1	0,5	0,2
Tax related to items that can be reclassified	-0,1	0,0	-0,1	0,0
Comprehensive income	229,8	183,6	370,6	433,1

Balance Sheet - Parent Bank

(Amounts in NOK millions)	31.12.2021	31.12.2020
Assets		
Cash and receivables from central banks	302,6	409,4
Loans to and receivables from financial institutions	2.599,4	2.232,8
Loans to and receivables from customers	17.502,9	16.436,7
Certificates and bonds	7.385,7	7.217,0
Shares and units	848,6	811,0
Financial derivatives	69,4	200,9
Ownership interests in Group companies	1.760,0	1.560,0
Deferred tax asset	5,6	7,7
Tangible fixed assets	91,5	88,8
Lease rights	71,6	77,1
Other assets	6,0	8,5
Prepaid non-accrued costs and income earned, but not received	14,4	14,6
Total assets	30.657,6	29.064,5
Liabilities and equity		
Liabilities to financial institutions	1.136,4	1.470,7
Deposits from and liabilities to customers	17.652,1	14.921,2
Financial derivatives	15,4	17,9
Securities issued	6.860,9	7.755,8
Other liabilities	214,4	328,5
Accruals and deferred income	34,8	34,0
Other provisions and liabilities	35,9	61,3
Lease liabilities	73,4	78,4
Subordinated loan capital	400,4	400,1
Total liabilities	26.423,6	25.068,0
Paid-up equity	595,1	595,1
Hybrid capital	351,9	351,7
Retained earnings	3.287,1	3.049,7
Total equity	4.234,0	3.996,5
Total liabilities and equity	30.657,6	29.064,5

Changes in equity - parent bank

	Paid-up equity			Hybrid capital		Retained earnings			Fund for change in value
	Total equity	Equity certificates	Share premium reserve	Hybrid tier 1 capital	Equalisation fund	Primary capital	Endowment fund	unrealised gains	dividends as reclass.
(Amounts in NOK millions)									
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
Ordinary result	361,5	0,0	0,0	14,1	91,3	217,2	0,0	38,9	0,0
Change in lending at fair value through comj	0,4	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,4
Actuarial gains and losses on defined-benef	8,8	0,0	0,0	0,0	2,6	6,2	0,0	0,0	0,0
Comprehensive income	370,6	0,0	0,0	14,1	93,9	223,4	0,0	38,9	0,4
Dividend to equity certificate holders 2020 - :	-93,3	0,0	0,0	0,0	-93,3	0,0	0,0	0,0	0,0
Dividend to social capital 2020 - adopted	-25,9	0,0	0,0	0,0	0,0	-25,9	0,0	0,0	0,0
Interest paid on hybrid capital	-14,0	0,0	0,0	-14,0	0,0	0,0	0,0	0,0	0,0
Equity as at 31.12.2021	4.234,0	207,3	387,8	351,9	413,2	2.361,6	38,1	473,7	0,5

The year's proposed dividend for equity certificate holders of NOK 79.8 million (NOK 3.85 per equity certificate) is being held as part of the equalisation fund, and the year's proposed provisions for good causes of NOK 79.8 million are being held as part of primary capital until they are finally approved by the Board of Trustees.

	Paid-up equity			Hybrid capital		Retained earnings			Fund for change in value
	Total equity	Equity certificates	Share premium reserve	Hybrid tier 1 capital	Equalisation fund	Primary capital	Endowment fund	unrealised gains	dividends as reclass.
(Amounts in NOK millions)									
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
Ordinary result	434,9	0,0	0,0	15,9	82,2	179,5	0,0	157,3	0,0
Change in lending at fair value through comj	0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,1
Actuarial gains and losses on defined-benef	-1,9	0,0	0,0	0,0	-0,6	-1,3	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
Dividend to equity certificate holders 2019 - :	-74,6	0,0	0,0	0,0	-74,6	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
Interest paid on hybrid capital	-16,6	0,0	0,0	-16,6	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

Cash Flow Statement - Parent Bank

	31.12.2021	31.12.2020
Operating activities		
Profit before tax	387,6	467,1
Adjusted for:		
Change in net interest income earned and accrued interest costs	-8,5	7,1
Net payment/disbursement of loans to financial institutions	-369,0	37,7
Net receipts/payments of loans to customers	-1.058,3	531,0
Change in certificates and bonds	-166,8	-29,1
Changes in value of equities and units	-43,9	-161,5
Change in other assets in connection with operations	-13,4	16,9
Net receipts/disbursement of borrowing from financial institutions	-33,8	550,2
Net receipts/disbursement of deposits from customers	2.733,7	41,8
Change in other operating liabilities	-153,1	108,4
Non-cash items included in profit before tax costs	20,5	30,0
Net gain/loss from investing activities	-0,6	-0,4
Net gain/loss from financing activities	0,2	1,3
Taxes paid for the period	-39,0	-61,0
Net cash flow from operating activities	A	1.255,5
Investing activities		
Payments on purchases of tangible fixed assets	-17,1	-13,7
Proceeds from sale of fixed assets	0,8	0,8
Net proceeds/costs on the sale/purchase of financial investments	6,4	-19,9
Net payment/disbursement concerning investments in subsidiaries	-200,0	-240,0
Net cash flow from investing activities	B	-209,9
Financing activities		
Net incoming/outgoing payments for loans to/from financial institutions	-300,0	300,0
Payments on repayment of securities	-1.547,2	-1.371,2
Proceeds on issuance of securities	799,6	0,0
Payment of dividend	-93,3	-74,6
Interest paid on hybrid capital	-14,0	-16,6
Net cash flow from financing activities	C	-1.154,8
Net change in cash and cash equivalents	A+B+C	-109,3
Cash and cash equivalents at 01.01		422,8
Holdings of cash and cash equivalents at end of period	313,6	422,8

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

Additional information on operating activities relating to interest and dividend income	31.12.2021	31.12.2020
Interest payments received	502,0	628,9
Interest payments made	159,4	303,5
Dividends received	235,1	174,6

Key Figures – Group

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Profitability					
1. Return on equity*	8,86	6,44	13,49	6,19	6,82
2. Net interest income as a % of average total assets	1,33	1,35	1,28	1,36	1,50
3. Profit after tax as a % of average total assets	0,80	0,58	1,19	0,58	0,66
4. Costs as a % of average total assets	0,65	0,65	0,57	0,71	0,75
5. Costs as a % of income (before losses on loans/guarantees)*	40,65	46,85	29,39	47,92	45,96
6. Costs as a % of income (excl. return on financial investments)*	45,09	46,14	42,38	48,57	46,69
Balance sheet figures					
7. Net lending to customers	39.386,7	40.093,4	40.425,6	38.441,0	35.443,8
8. Lending growth (quarter)	-1,76	-0,82	5,16	8,46	13,00
9. Deposits	17.578,9	17.852,6	17.318,3	15.748,6	14.845,1
10. Deposit growth (quarter)	-1,53	3,09	9,97	6,09	2,08
11. Average equity	4.210,1	4.204,2	4.101,1	4.001,6	3.997,3
12. Average total assets	48.410,6	48.805,3	47.659,8	45.236,2	43.404,4
Loan loss provisions on impaired and non-performing commitments					
13. Losses as a % of net lending to customers (OB)*	-0,01	-0,02	0,01	0,03	0,05
14. Loan loss provisions as a % of gross lending to customers*	0,32	0,32	0,32	0,33	0,35
15. Net payment defaults exceeding 90 days as a % of net lending	0,20	0,20	0,21	0,26	0,29
16. Other net non-performing commitments (Stage 3) as a % of net len	0,31	0,13	0,18	0,06	0,02
Financial strength					
17. CET1 capital ratio incl. 50% of retained earnings (%)	18,24	17,62	17,26	17,75	17,96
18. CET1 capital ratio (%)	18,24	17,00	16,79	17,61	17,96
19. Tier 1 capital ratio (%)	19,89	18,62	18,41	19,28	19,67
20. Capital adequacy ratio (%)	21,78	20,48	20,27	21,20	21,34
21. Risk-weighted volume (calculation basis)	21.190,0	21.490,8	21.606,6	20.879,4	20.471,4
22. Leverage ratio incl. 50% of retained earnings (%)	8,60	8,34	8,20	8,59	9,03
23. Leverage ratio (%)	8,60	8,07	8,00	8,53	9,03
Liquidity					
24. Deposit coverage ratio	44,63	44,53	42,84	40,97	41,88
25. LCR (%)	249,72	193,19	214,34	254,25	266,93
Branches and FTEs					
26. No. of branches	29	29	29	29	29
27. FTEs	187	184	183	187	184
Equity certificates					
28. Ownership fraction (parent bank) (%)	29,59	29,59	29,59	29,59	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*	61,51	61,49	60,52	58,55	61,18
31. Earnings per equity certificate*	1,34	0,97	1,97	0,87	1,04
32. Dividend per equity certificate	3,85	0,00	0,00	0,00	4,50
33. Turnover rate	42,39	24,17	22,27	24,90	24,98
34. Price	57,20	52,80	52,00	51,00	51,40

* Defined as alternative 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 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 a % 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 loan 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

Loan loss provisions on impaired and non-performing commitments

13. Losses as a % of net lending to customers (OB)*
Losses as a % 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. Loan loss provisions as a % of gross lending to customers*
Total loan 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 judged to be useful additional information to what is 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 judged to be useful additional information to what is 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 (calculation basis)
20. Capital adequacy ratio (%)
Total subordinated loan 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 basis for calculation

Liquidity

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

Branches and full-time equivalents

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 on 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 at the balance sheet date.

* Defined as alternative performance target

Financial Performance - Group

(Amounts in NOK million)	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Interest income	258,5	241,5	235,3	231,2	238,0
Interest costs	95,7	76,0	83,5	80,0	74,0
Net interest income	162,8	165,5	151,8	151,2	164,0
Commission income and income from banking services	24,1	19,0	18,3	17,9	19,8
Commission costs and costs for banking services	12,1	12,4	11,2	10,4	11,6
Dividend	0,0	0,2	69,0	2,2	6,4
Net changes in value and gains/losses on financial instruments	19,1	-2,8	2,1	0,0	-3,7
Other operating income	0,5	0,2	1,9	3,8	3,3
Net other operating income	31,6	4,2	80,1	13,5	14,2
Payroll, etc.	46,0	47,5	35,4	47,0	46,3
Administration costs	16,8	14,5	15,4	14,3	15,4
Depreciation/write-downs/changes in value for non-financial assets	6,8	6,9	7,0	6,9	7,4
Other operating costs	9,5	10,7	10,4	10,8	12,9
Total operating costs	79,0	79,5	68,2	78,9	81,9
Profit/loss before losses	115,4	90,2	163,8	85,8	96,3
Losses on loans, unused credit and guarantees	-1,0	-1,7	0,6	2,6	3,7
Profit/loss before tax costs	116,4	91,9	163,2	83,2	92,6
Tax costs	18,7	20,2	21,8	18,6	20,6
Profit/loss after tax	97,7	71,7	141,4	64,6	72,0
Hybrid capital owners' share of the result	3,7	3,4	3,5	3,5	3,4
Equity certificate holders' and primary capital share of profits	94,0	68,3	137,9	61,1	68,5
Profit/loss after tax	97,7	71,7	141,4	64,6	72,0
Earnings per equity certificate	1,34	0,97	1,97	0,87	1,04
Diluted earnings per equity certificate	1,34	0,97	1,97	0,87	1,04

Other comprehensive income performance - Group

(Amounts in NOK million)	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Profit/loss after tax	97,7	71,7	141,4	64,6	72,0
Items that will not be reclassified to the income statement					
Actuarial gains and losses on defined-benefit plans	12,2	0,0	0,0	0,0	-2,4
Tax related to items that cannot be reclassified	-3,0	0,0	0,0	0,0	0,6
Comprehensive income	106,9	71,7	141,4	64,6	70,2

Balance sheet performance - Group

(Amounts in NOK millions)	31.12.2021	30.09.2021	30.06.2021	31.03.2021	31.12.2020
Assets					
Cash and receivables from central banks	302,6	346,8	290,8	421,8	409,4
Loans to and receivables from financial institutions	11,0	9,3	7,6	12,9	13,4
Loans to and receivables from customers	39.386,7	40.093,4	40.425,6	38.441,0	35.443,8
Certificates and bonds	7.198,9	6.953,6	6.868,8	6.238,7	6.790,2
Shares and units	848,6	810,7	808,4	801,0	811,0
Financial derivatives	156,5	247,3	273,2	245,8	374,1
Investment properties	11,7	11,7	11,8	11,9	11,9
Tangible fixed assets	148,6	146,9	149,8	147,4	145,1
Lease rights	41,2	40,8	41,8	44,2	44,1
Other assets	8,4	9,2	14,3	16,5	14,9
Prepaid non-accrued costs and income earned, but not received	13,5	23,8	25,1	21,5	11,7
Total assets	48.127,6	48.693,6	48.917,1	46.402,6	44.069,7
Liabilities and equity					
Liabilities to financial institutions	300,3	300,8	300,1	300,9	601,0
Deposits from and liabilities to customers	17.578,9	17.852,6	17.318,3	15.748,6	14.845,1
Financial derivatives	15,4	16,0	13,4	18,0	17,9
Securities issued	24.684,0	24.962,9	25.775,7	24.912,5	23.111,0
Other liabilities	329,9	385,5	405,8	441,3	501,8
Accruals and deferred income	42,6	39,4	34,5	47,9	43,0
Other provisions and liabilities	36,8	62,8	62,9	63,0	62,9
Deferred tax liability	3,7	0,6	0,7	0,5	0,0
Lease liabilities	42,2	41,8	42,7	45,0	44,9
Subordinated loan capital	400,4	400,2	400,1	400,2	400,1
Total liabilities	43.434,2	44.062,7	44.354,3	41.977,7	39.627,7
Paid-up equity	595,1	595,1	595,1	595,1	595,1
Hybrid capital	351,9	351,7	351,7	351,8	351,7
Retained earnings	3.746,4	3.684,2	3.615,9	3.478,0	3.495,1
Total equity	4.693,4	4.630,9	4.562,7	4.424,9	4.442,0
Total liabilities and equity	48.127,6	48.693,6	48.917,1	46.402,6	44.069,7

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