



Company presentation

March 2022





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Introduction

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Long-term financials and
macroeconomic backdrop

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Highlights from 4Q-21 Financial
Accounts

04

Asset quality and funding plans



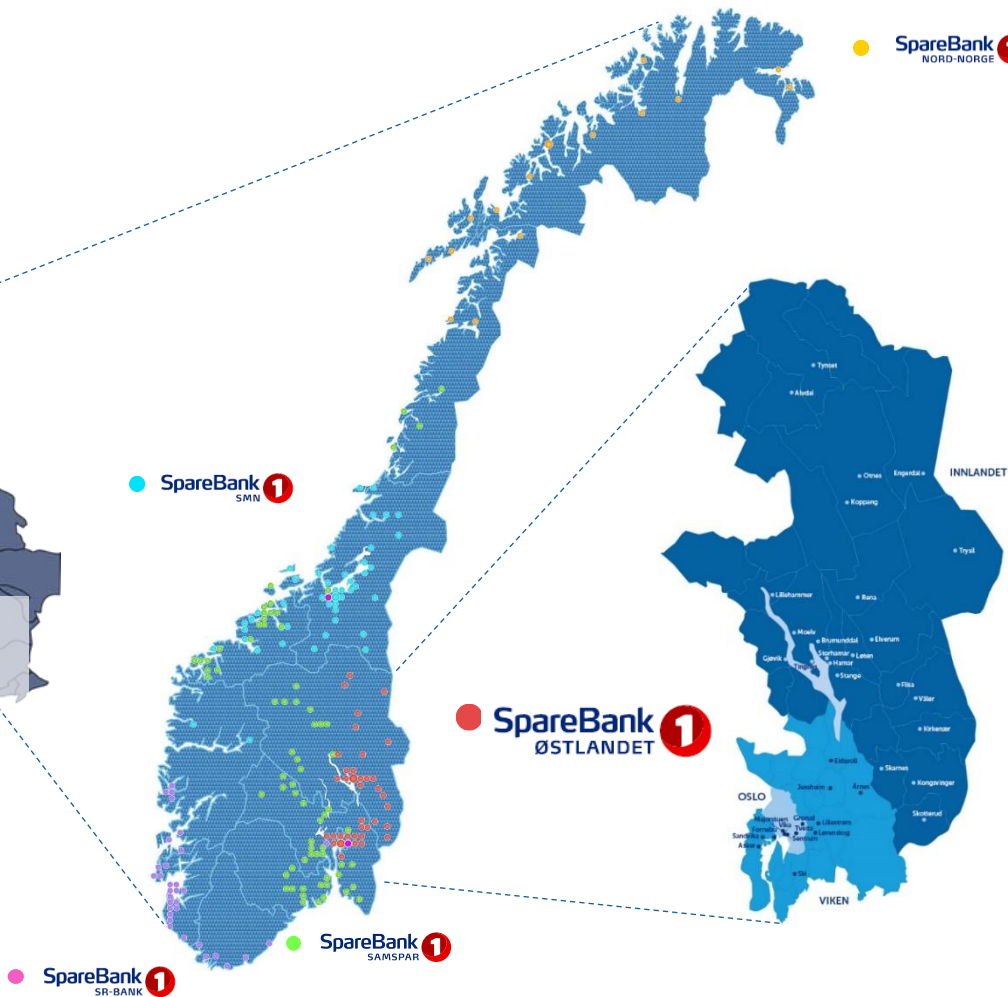
The bank in brief

- Norway's fourth largest savings bank
- One of the best capitalised regional savings bank in Norway - CET1 18.0 %, capital adequacy ratio of 21.3 %, leverage ratio 7.3 %
- Low risk bank book with a 73.8 % retail share
- Diversified income stream
- Long history of solid returns and profits. Stable low loan losses over time
- Rated Aa3 (stable outlook) by Moody's. SNP rated A3 by Moody's
- Largest owner of SPABOL, the covered bond issuer of the SpareBank 1 Alliance
- Sustainalytics ESG Risk Rating 12.3 ("Low Risk"). MSCI ESG AA
- Green Bond framework established. CICERO Medium Green/Excellent

Where we are

Norway

- Population ~5.4 million
- One of the highest GDP per capita in the world
- Excellent financial position has proved good in the coronavirus pandemic
- EEA member
- Continued economic upswing in 2H 2021
- Unemployment back to pre covid levels



SpareBank 1 Østlandet's home market: Inland and Capital regions

- Population 1.7 million
- The fastest growing region of Norway for both population and job creation
- Low unemployment, high economic activity, cyclically stable
- Market leader in the Inland region, challenger in the Capital region
- 378k customers
- Head office in Hamar

Diversified main activities

Several sources of income - parent bank, subsidiaries and other ownership interests

Operational divisions

	Retail Segment
	Corporate Segment
	Organisations & Capital Markets
	Administration & Support

Selected key subsidiaries

100%	EiendomsMegler 1 Innlandet AS <i>Real estate agent</i>
100%	EiendomsMegler 1 Oslo Akershus AS <i>Real estate agent</i>
95%	SpareBank 1 Finans Østlandet AS <i>Financing/Leasing</i>
~71%	SpareBank 1 Østlandet VIT AS <i>Accounting/financial advisory</i>

Selected other ownership interests

~25%	Totens Sparebank <i>Savings bank</i>
~24%	KOMM-IN AS <i>Local venture capital</i>
9.99 %	BN Bank ASA <i>Commercial bank</i>
100%	Youngstorget 5 AS <i>Real estate SPV</i>
100%	Vato AS <i>Property management</i>

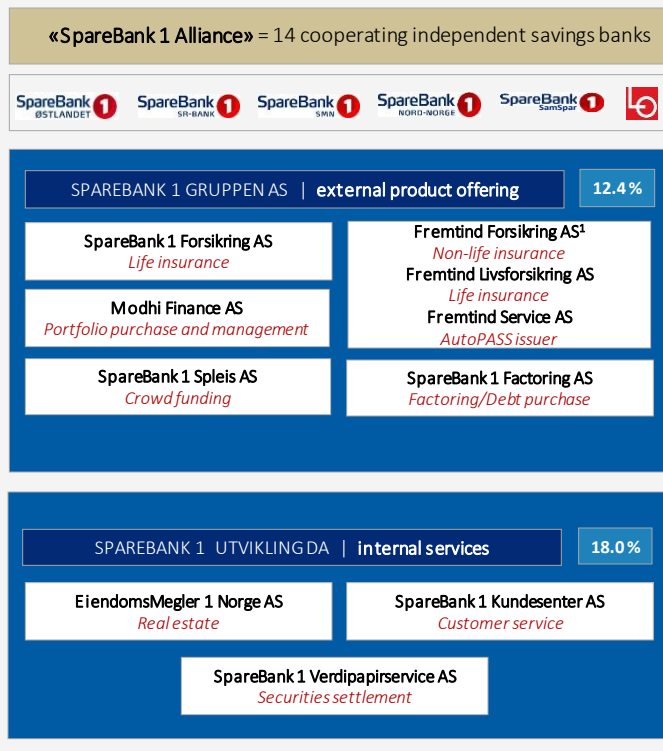
Part of the SpareBank 1 Alliance

Provides operational and financial economies of scale as well as diversified product offering

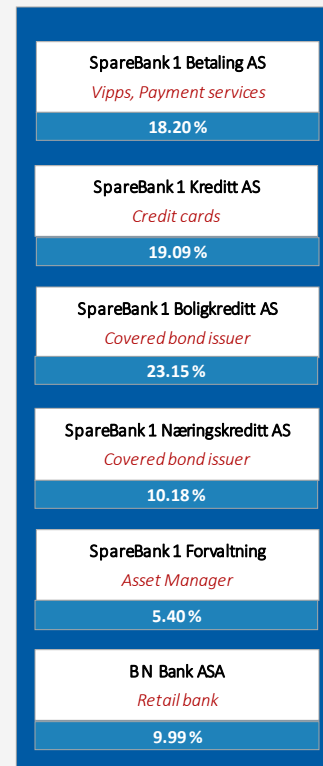
Key comments

- Total number of branches: 207
- Total number of FTEs: 8,223
- 14 independent Savings Banks
 - 8 listed equity capital certificate (ECC) banks.
 - 1 public listed ordinary share bank (SR-Bank).
- The SpareBank 1 Alliance is Norway's second largest financial group in terms of total assets (~NOK 1,400 bn).
- The SpareBank 1 Alliance was created in 1996 to strengthen each local bank's competitiveness, profitability and solvency, as well as to ensure each bank's future independence and regional ties.

Key joint ventures



Key associated companies





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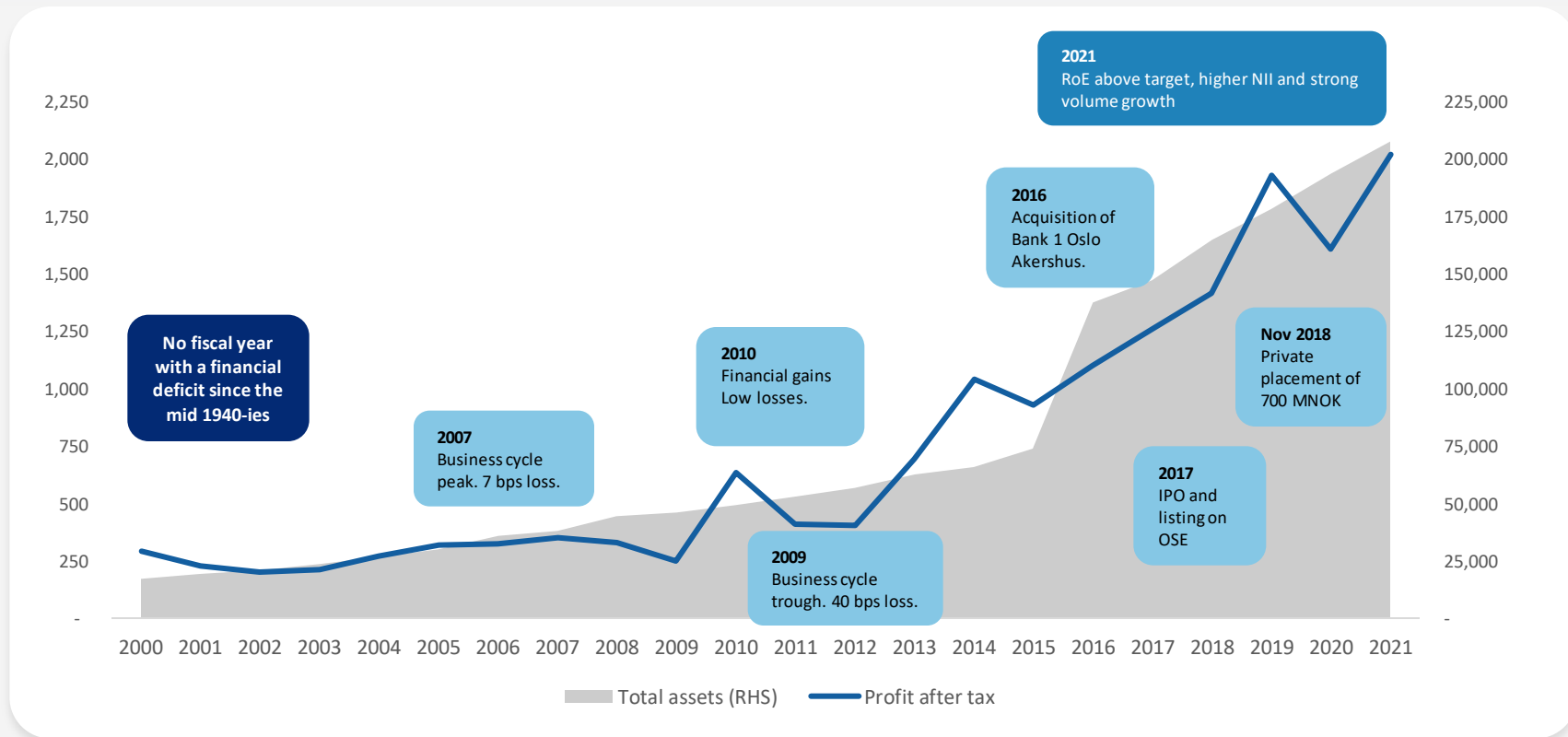
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Asset quality and funding plans

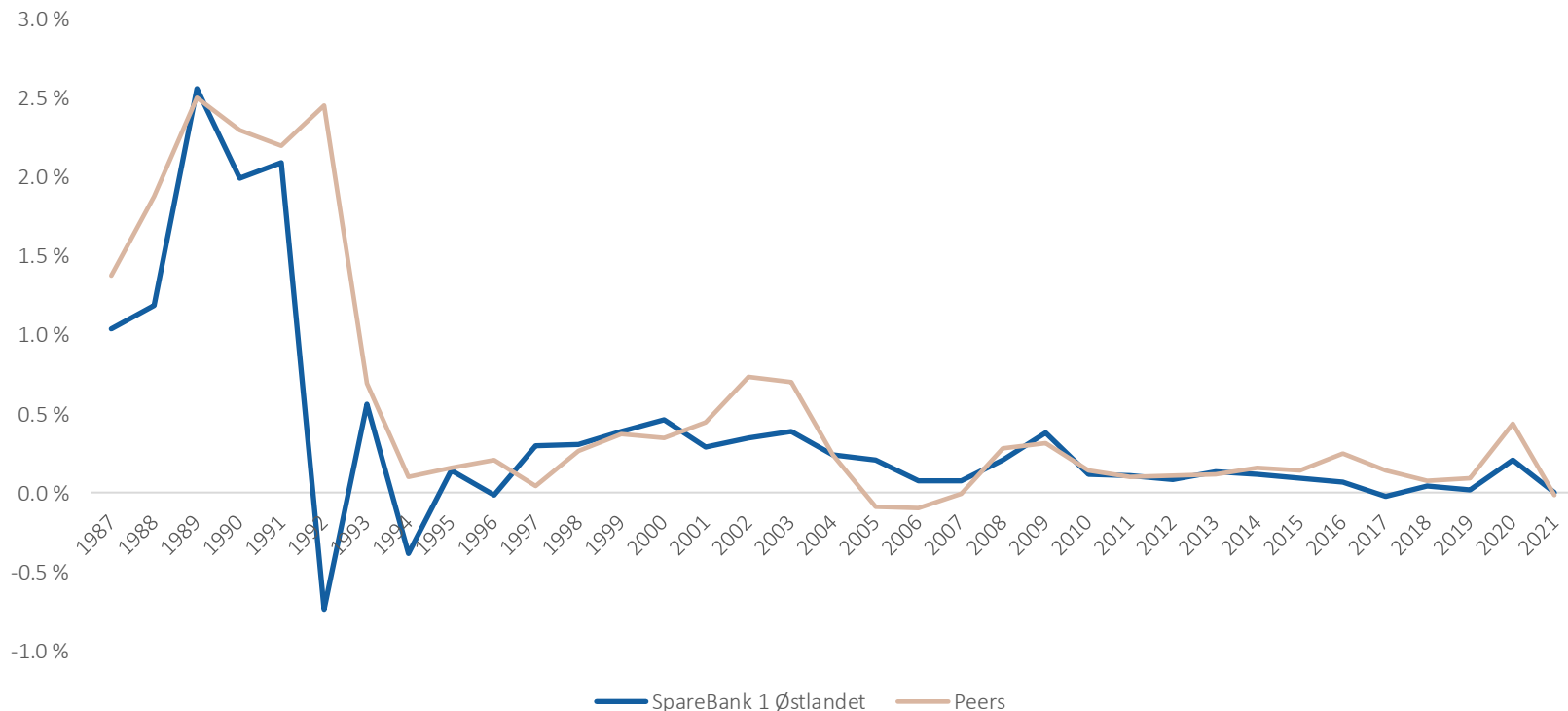
The Bank has a history of growth and increasing profits

Profit after tax and total assets*(NOK million)



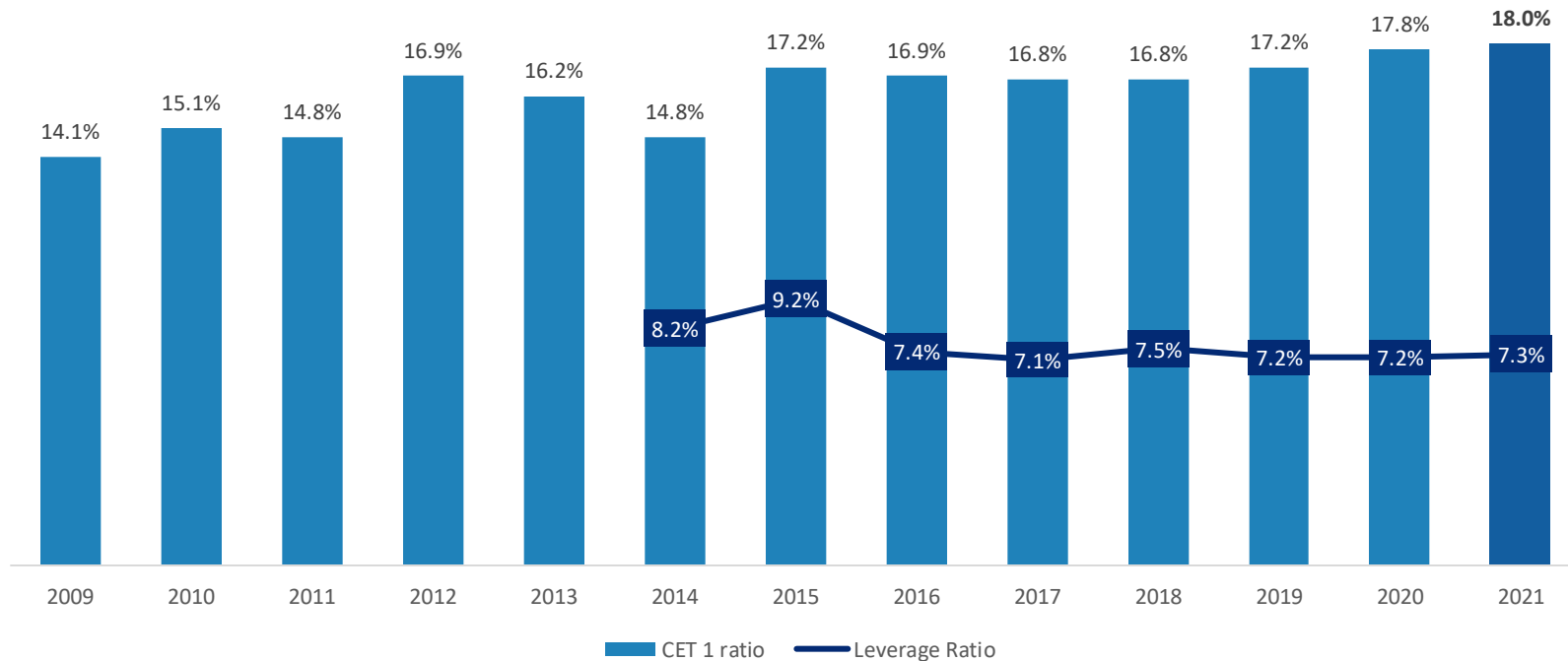
Long history of low loan losses

Impairments on loans as a percentage of gross loans*

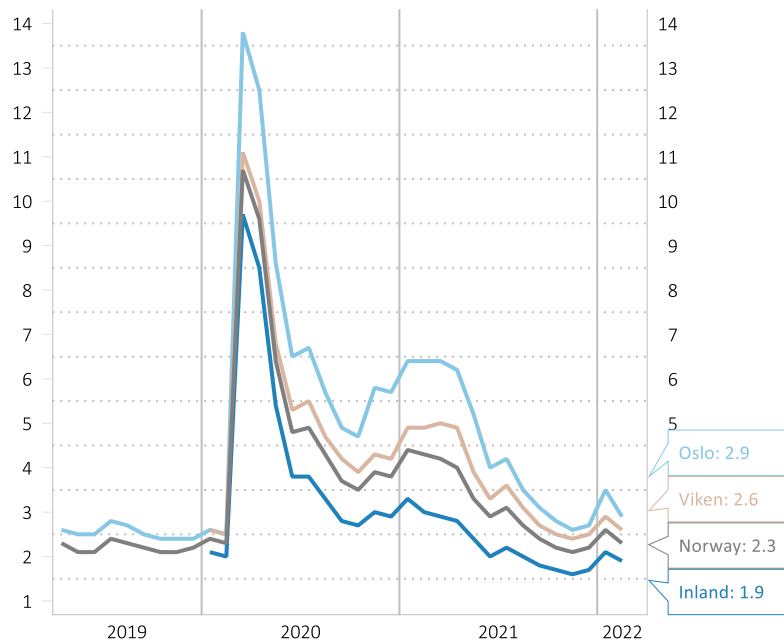


High and stable capitalisation

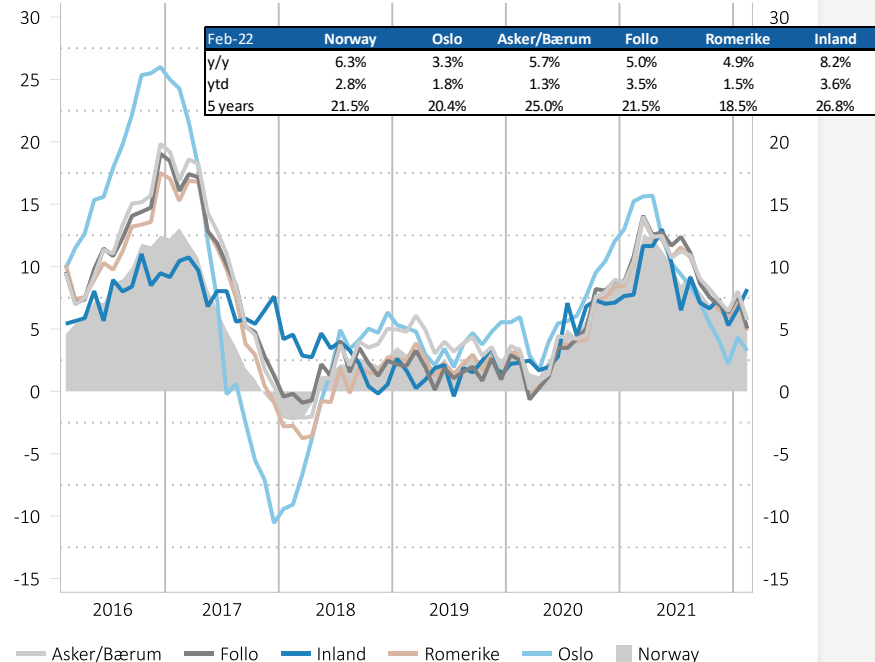
Common Equity Tier 1 ratio and Leverage Ratio (Group)



Unemployment (registered) % nsa.



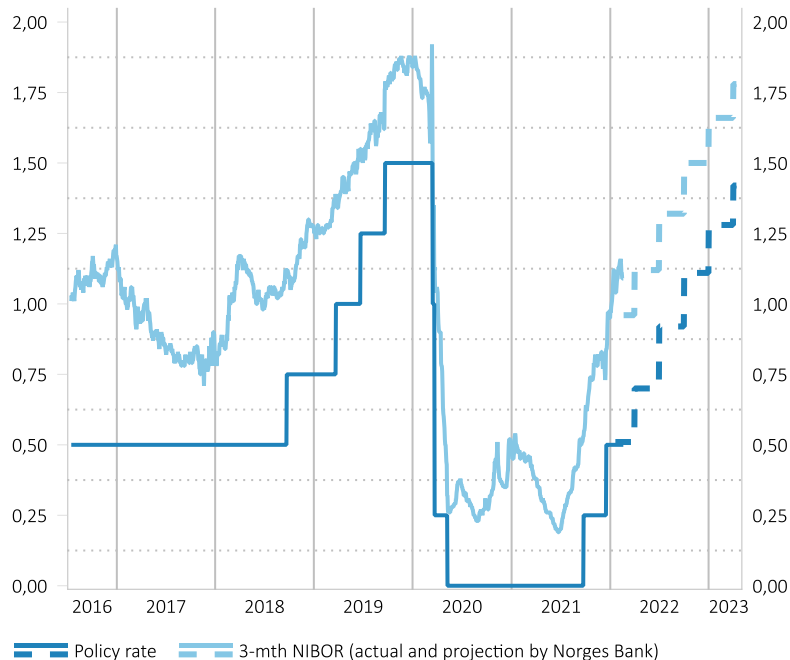
House price inflation, % y/y



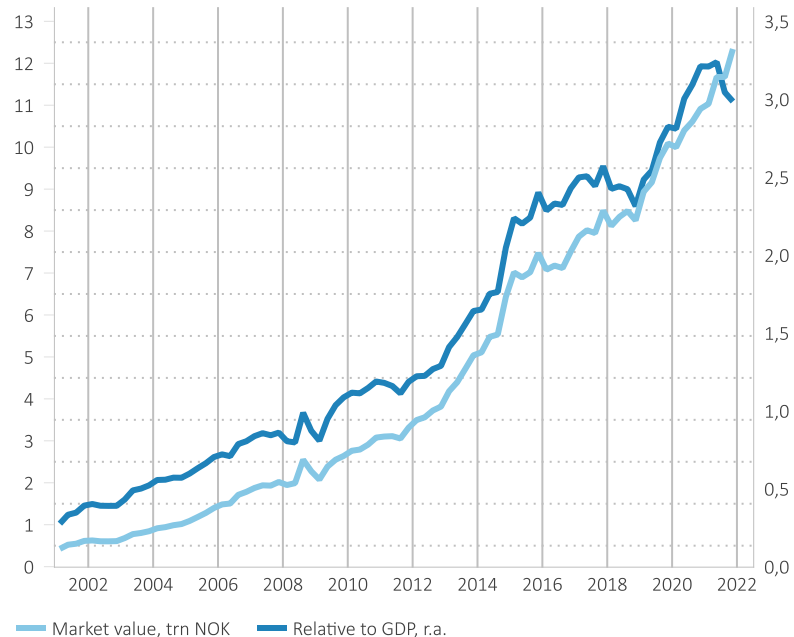
Norges Bank has signalled several policy rate hikes ahead

Oil Fund provides large fiscal buffer

3mth NIBOR and Norges Bank paths for policy rate and 3mN, %



Value of Oil Fund (GPFG)





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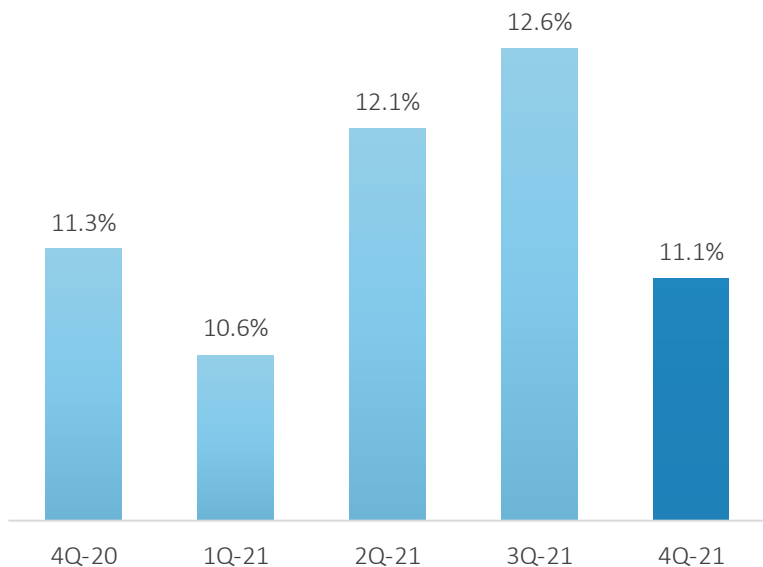
04

Asset quality and funding plans

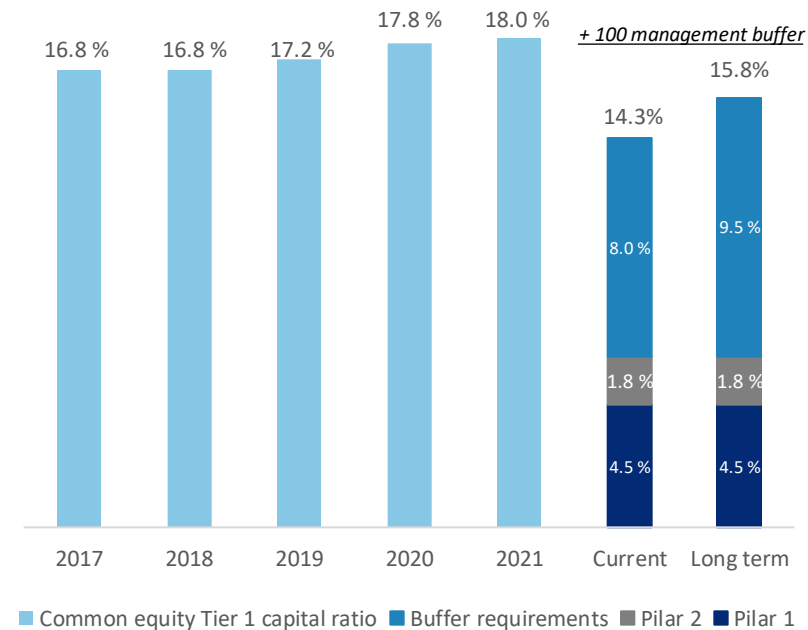
Strong quarter with a high return on equity

Dividends paid for 2020, capital ratio remains high and well above requirements

Return on equity (%)



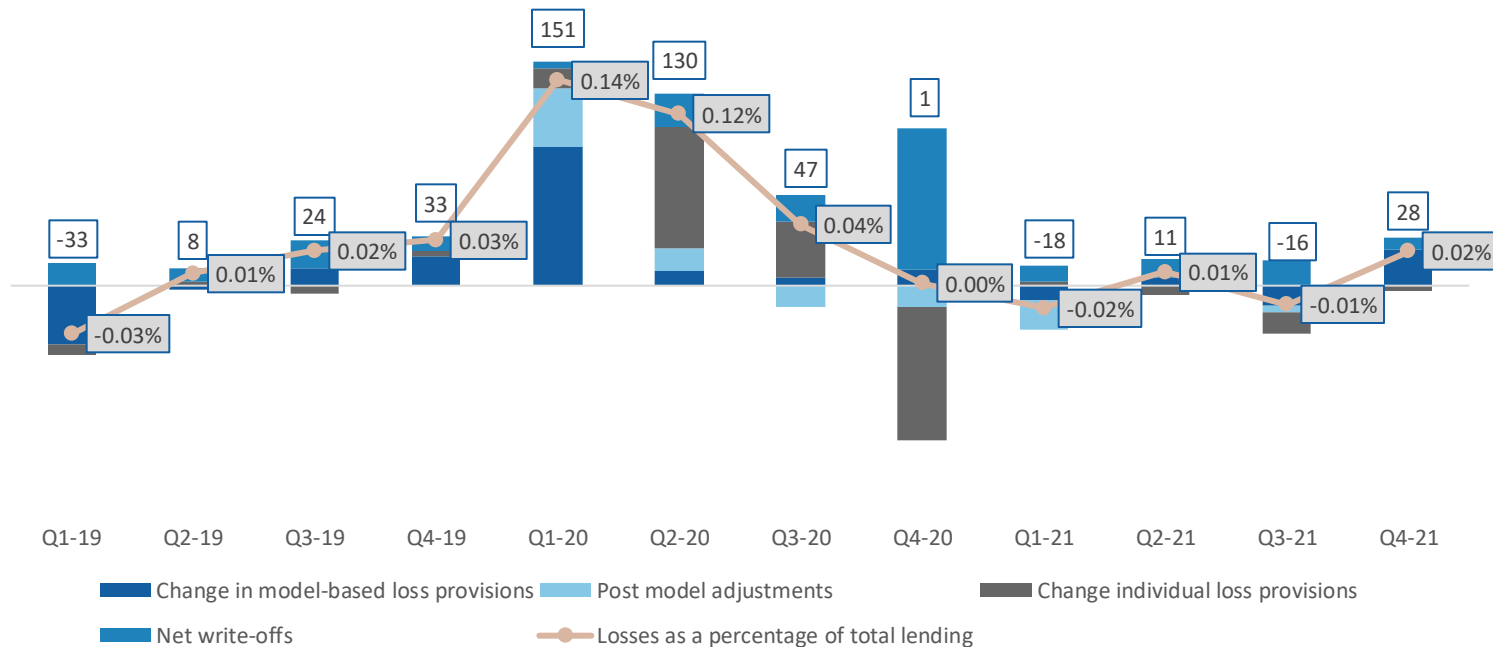
CET-1 capital ratio (actual and required), Group



Increased loan loss provisions

Primarily due to growth and migration

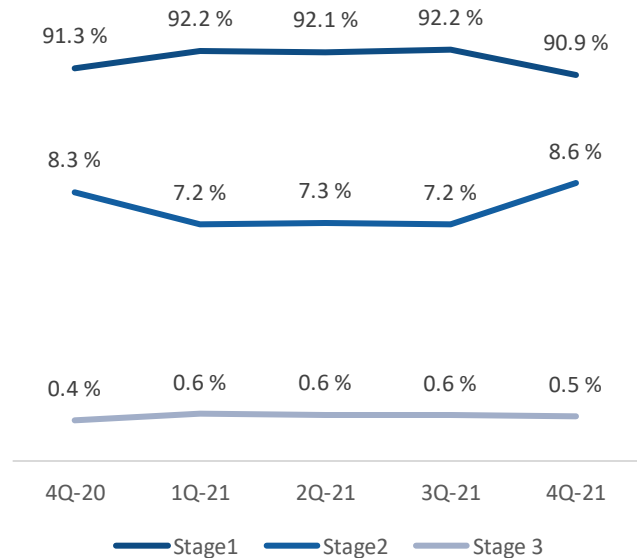
Loan loss provisions (NOK million and % of gross loans)



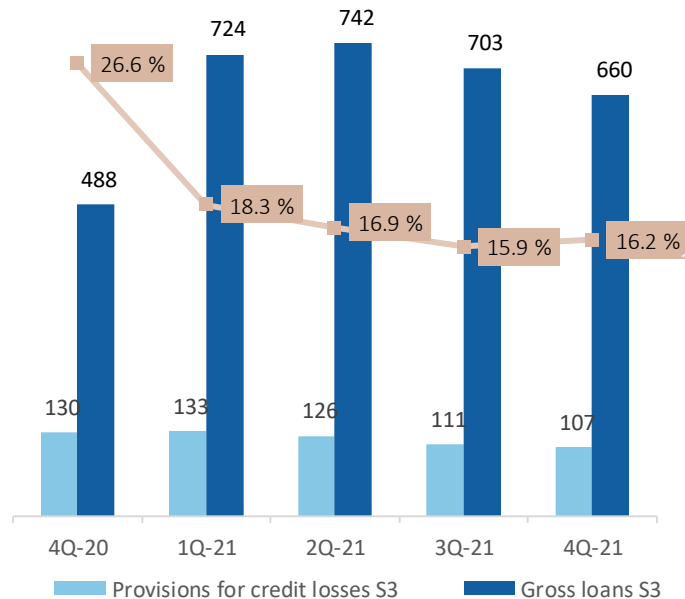
Lower levels of non-performing loans

Reduced credit loss provision ratio in Stage 3

Exposure by stages, (% of gross loans)



Loans in Stage 3 (NOK mill.)





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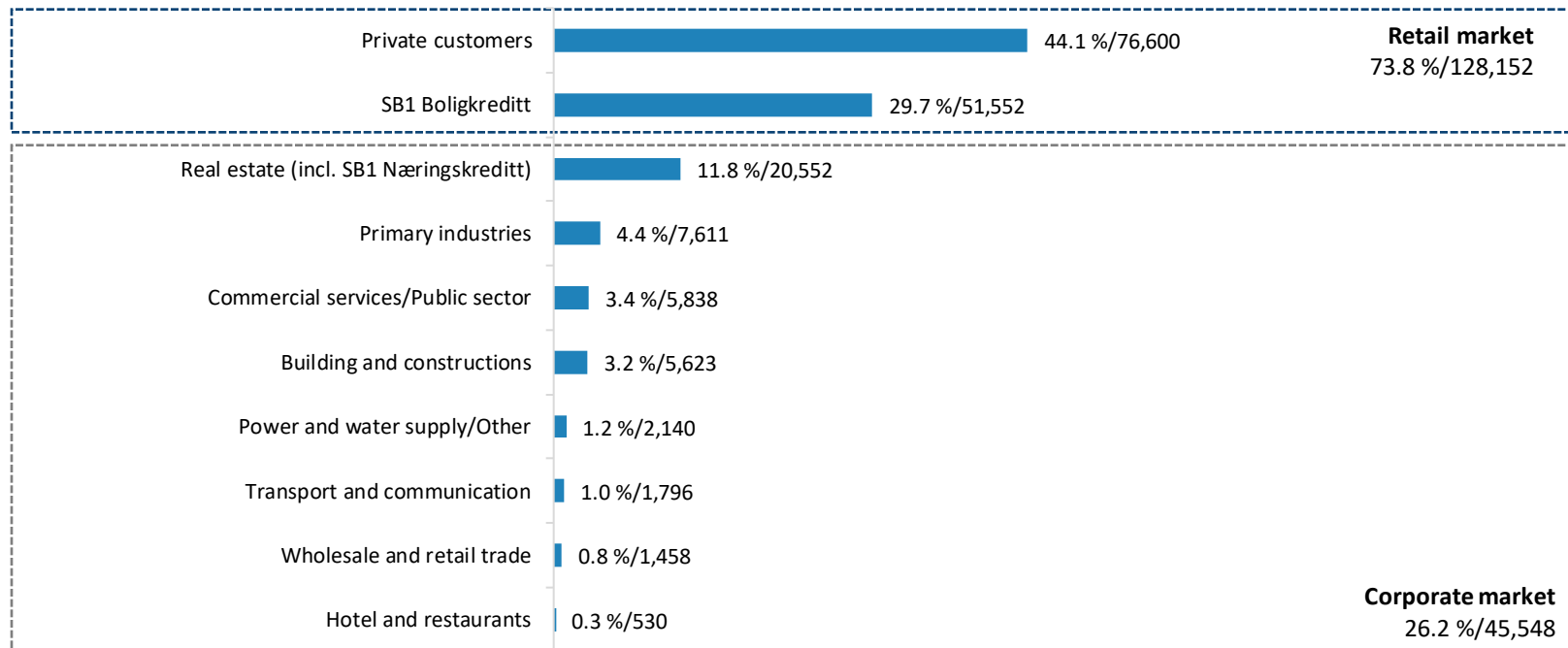
Highlights from 3Q-21 Financial
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Asset quality and funding plans

Cyclically stable loan portfolio, limited exposures to sectors hit by pandemic

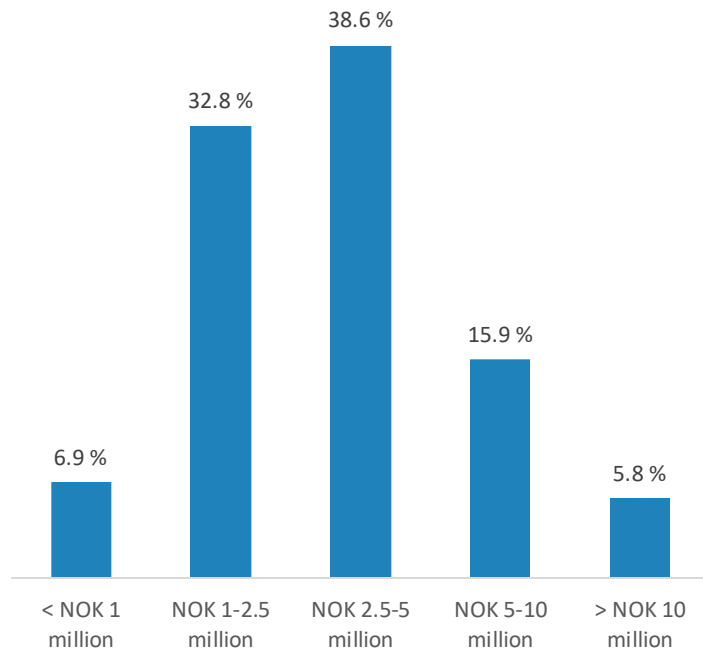
Lending to customers per sector (% and NOK million)



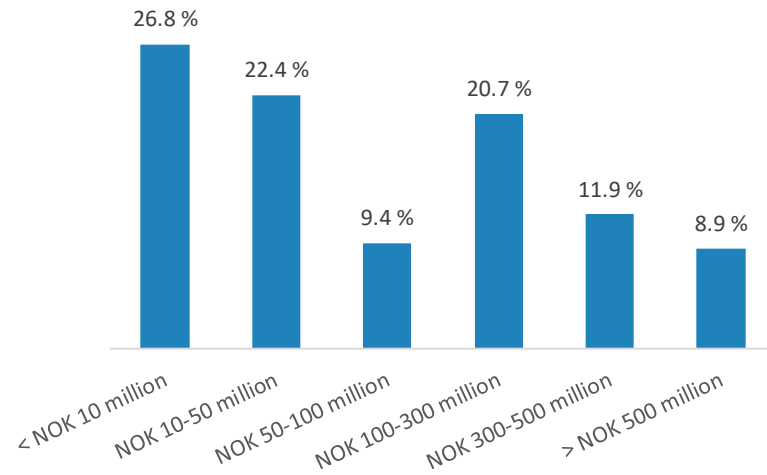
Size concentration risk in the lending book is low

Retail and corporate loans by size (% share)*

Retail market



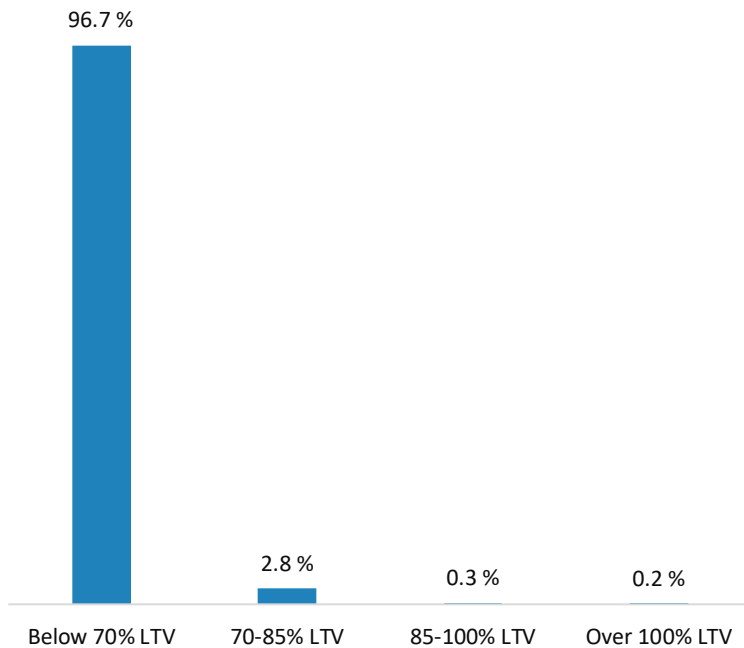
Corporate market



The use of the flexibility quota is targeted at priority customers

Exposure per LTV bucket in the residential mortgage portfolio

LTV by exposure**



Mortgages – Utilisation of flexibility quota in 4Q-21:

City of Oslo
7.9 % (8 % quota)

Other areas
8.0 % (10 % quota)

Bank uses the flexibility quota selectively. “Speed controls” ensure compliance and good utilization of the quota when needed.

The mortgage regulation* constrains housing mortgage lending through defined requirements:

- Debt servicing capacity
 - Stress test of a sudden 5 % mortgage rate increase
- Maximum loan to value
 - Max 85 % LTV on new lending
 - (A stricter 75 % LTV legal requirement in the SB1 Boligkreditt cover pool)
- Gearing
 - Total debt must not exceed five times gross annual income
- Requirement of installment payment

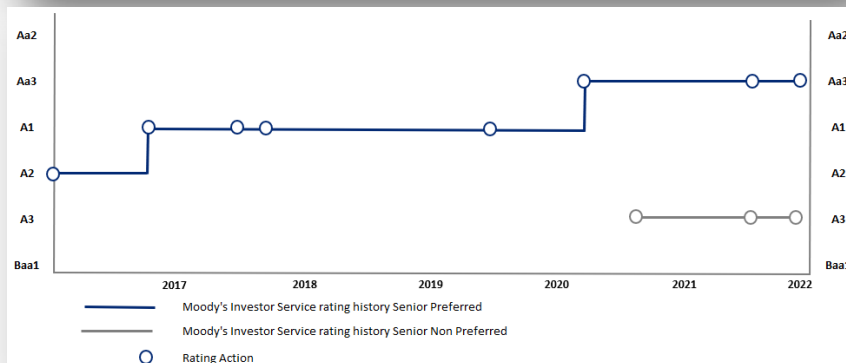
* "Regulation on the requirements for new lending with collateral in housing"

** Inclusive of loans transferred to SpareBank 1 Boligkreditt.

Aa3 Moody's Senior Unsecured rating with stable outlook

Based on Rating Action as of 5 March 2020 and 13 July 2021

SpareBank 1 Østlandet		
Moody's Org ID: 807607120 LEI: 549300VRM6G42M8OWN49 Market Segment: Financial Institutions		
Industry: NON-U.S. BANK Domicile: NORWAY		
LONG TERM COUNTERPARTY RISK RATING		
Rating: Aa3 , Not on Watch	LONG TERM DEPOSIT Rating: Aa3 , Not on Watch	LONG TERM DEBT Rating: Aa3 , Not on Watch
Type: LT Counterparty Risk Rating - Fgn Curr	Type: LT Bank Deposits - Fgn Curr	Type: Senior Unsecured - Fgn Curr
Date: 05 Mar 2020	Outlook: Stable Date: 05 Mar 2020	Outlook: Stable Date: 05 Mar 2020
SHORT TERM COUNTERPARTY RISK RATING		
Rating: P-1 , Not on Watch	SHORT TERM DEPOSIT Rating: P-1 , Not on Watch	BASELINE CREDIT ASSESSMENT Rating: a3 , Not on Watch
Type: ST Counterparty Risk Rating - Fgn Curr	Type: ST Bank Deposits - Fgn Curr	Date: 05 Mar 2020
Date: 05 Mar 2020	Date: 05 Mar 2020	
ADJ BASELINE CREDIT ASSESSMENT		
Rating: a3 , Not on Watch	OTHER DEBTS ON WATCH? No	
Date: 05 Mar 2020		

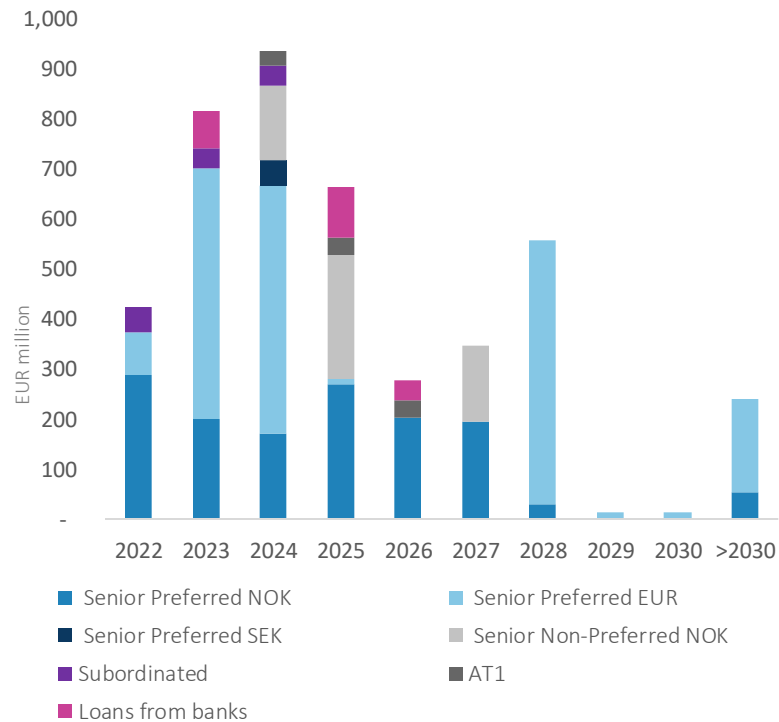
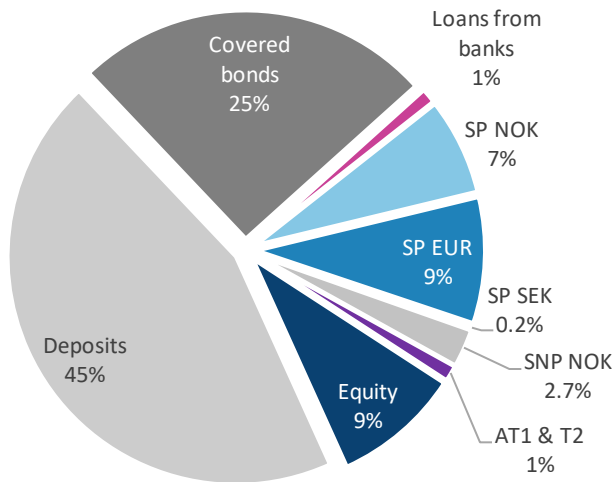


Main takeaways

- “Consistently stronger financial performance compared to peers”
 - “Particularly resilient asset quality and strong capital metrics throughout the credit cycle”
 - “Despite sizable exposures to commercial real-estate. They have demonstrated a strong track record”
 - “Moody’s believes that SpareBank 1 Østlandet will continue to boast high capital metrics”
 - “The upgrade also considers the bank’s good recurring profitability with no exposure to the cyclical oil sector”
- **Rating Action – 5 March 2020:** Moody’s has upgraded the BCAs and deposit/debt ratings with stable outlook for SpareBank 1 Østlandet and SpareBank 1 Nord-Norge.
 - **Rating Action – 3 July 2020:** Moody’s assigns A3 rating to SpareBank 1 Østlandet’s Junior Senior unsecured (SNP) notes.
 - **Rating Action – 12 January 2022:** Affirmed the Bank’s rating with stable outlook.

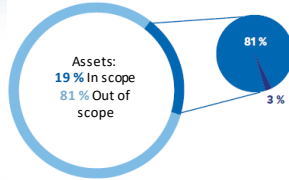
The bank's funding ambitions

Today's funding mix and thoughts on funding going forward



SpareBank 1 Østlandet's sustainability overview

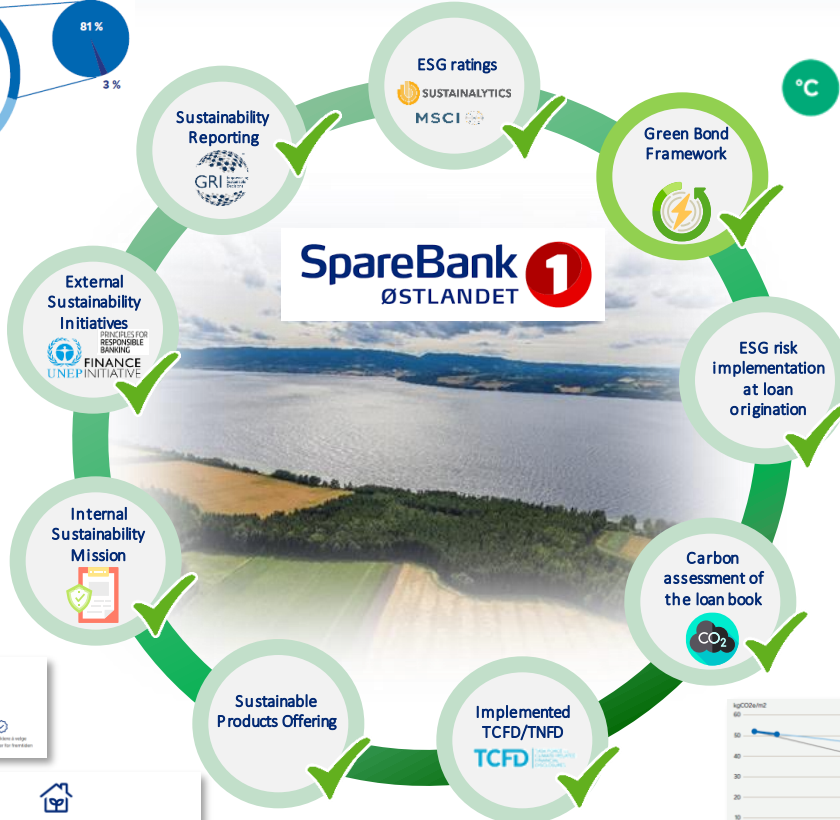
Green Asset Ratio:
Introducing eligibility reporting



First Norwegian bank to sign the Principles for Responsible Banking



Global Sustainability Strategy



ESG ratings
SUSTAINALYTICS
MSCI

Green Bond Framework

ESG risk implementation at loan origination

Carbon assessment of the loan book

Implemented TCFD/TNFD

Sustainable Products Offering

External Sustainability Initiatives
PRINCIPLES FOR RESPONSIBLE BANKING
FINANCE UNEP INITIATIVE

Sustainability Reporting
GRI



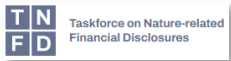
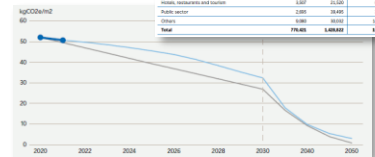
°CICERO
Medium Green



Sustainable Edge:
Climate risk assessment for companies

- Shades of green and brown
- Dark Green:** Bank green is allocated to projects and solutions that contribute to the long-term value of the system and climate-related factors.
 - Medium Green:** Medium green is allocated to projects and solutions that represent steps towards the long-term value but are not fully green yet.
 - Light Green:** Light green is allocated to projects and solutions that are environmentally friendly but do not fully contribute to the long-term value.
 - Light Brown:** Light brown is allocated to projects that are not environmentally friendly but do not represent a risk of being in total loss of value and are expected to be of moderate value.
 - Dark Brown:** Dark brown is allocated to the lowest quality projects, with the most potential for loss of investments and risk of stranded assets.

Industry	Total emissions (scope 1 & 2)		Carbon intensity (scope 1 & 2 per €)	
	Scope 1	Scope 2	Scope 1	Scope 2
Agencies and associated services	40,000	200,000	1.0	0.8
Finance and associated services	80,000	160,000	0.8	0.6
Information and financial services	20,000	100,000	1.4	1.2
Wholesale and retail trade	30,000	150,000	1.0	0.8
Construction services	20,000	100,000	1.0	0.8
Manufacturing	100,000	500,000	0.4	0.2
Construction of buildings	1,000	5,000	1.0	0.8
Sea and transport of goods	7,000	35,000	0.5	0.4
Energy production and supply	1,000	5,000	1.0	0.8
Transport services	1,000	5,000	1.0	0.8
Hotels, restaurants and leisure	1,000	5,000	1.0	0.8
Public sector	1,000	5,000	1.0	0.8
Other	1,000	5,000	1.0	0.8
Total	770,000	3,850,000	0.8	0.6



ESG 100 – Oslo Stock Exchange

- A
- #1 among savings banks

CDP – Carbon disclosure project

- A-
- 1 of 9 Norwegian companies

MSCI

- AA

Sustainalytics

- 12.3 ESG Risk Rating (“Low Risk”)

Fair Finance Guide

- #3 Overall
- #1 Among Norwegian listed banks

For more information on our ESG priorities, please visit <https://www.sparebank1.no/en/ostlandet/about-us/sustainability.html>





Green mortgage

Do you own, or are considering buying a home with EPC level A or B? You get lower interest rates with a green mortgage.



Green car loan

Are you buying an electrical car? We give you even better conditions when buying an environmentally friendly car.



Green agricultural loan

Installing a solar panel on your farm? Our green agricultural loan will match your needs.



Green deposits

Are you concerned about what your savings are contributing to? Green deposits supports a sustainable future.



How to have the right focus

We aim to be a significant agent for sustainable development and to be an ESG partner for our corporate customers.

- We hope our ESG Guide can be a help in focusing on the right things, says our Head of Sustainability, Karoline Bakka Hjertø and Head of Corporate Banking, Hans Olav Wedvik.

- Follows best market practice and in line with the ICMA Green Bond Principles (GBP)
- Prepared by the Green Bond Committee, including representatives of Corporate Banking, Retail Banking, SpareBank 1 Finans Østlandet AS, Treasury and Sustainability
- Consideration and commitment to align with the EU Taxonomy on a best effort basis
- **Green Eligible categories:**
 - Green buildings
 - Agriculture
 - Forestry
 - Renewable Energy (hydro power)
 - Clean Transportation (electric only)
- Pre-issuance impact reporting calculated by specialist consultant Multiconsult
- Cicero second party opinion: Medium Green
- Cicero assessment on EU Taxonomy eligibility: Technical Screening Criteria, DNSH & MS



°CICERO
Shades of
Green

Multiconsult

Eligible Asset Allocation

Eligible Assets

- NOK 18,018 million
- 15.3 % of Gross Lending to Customers

Green eligible assets transferred to SB1 Boligkreditt

- NOK 9,644 million
- 18.7 % of loans transferred

Allocated green loan portfolio

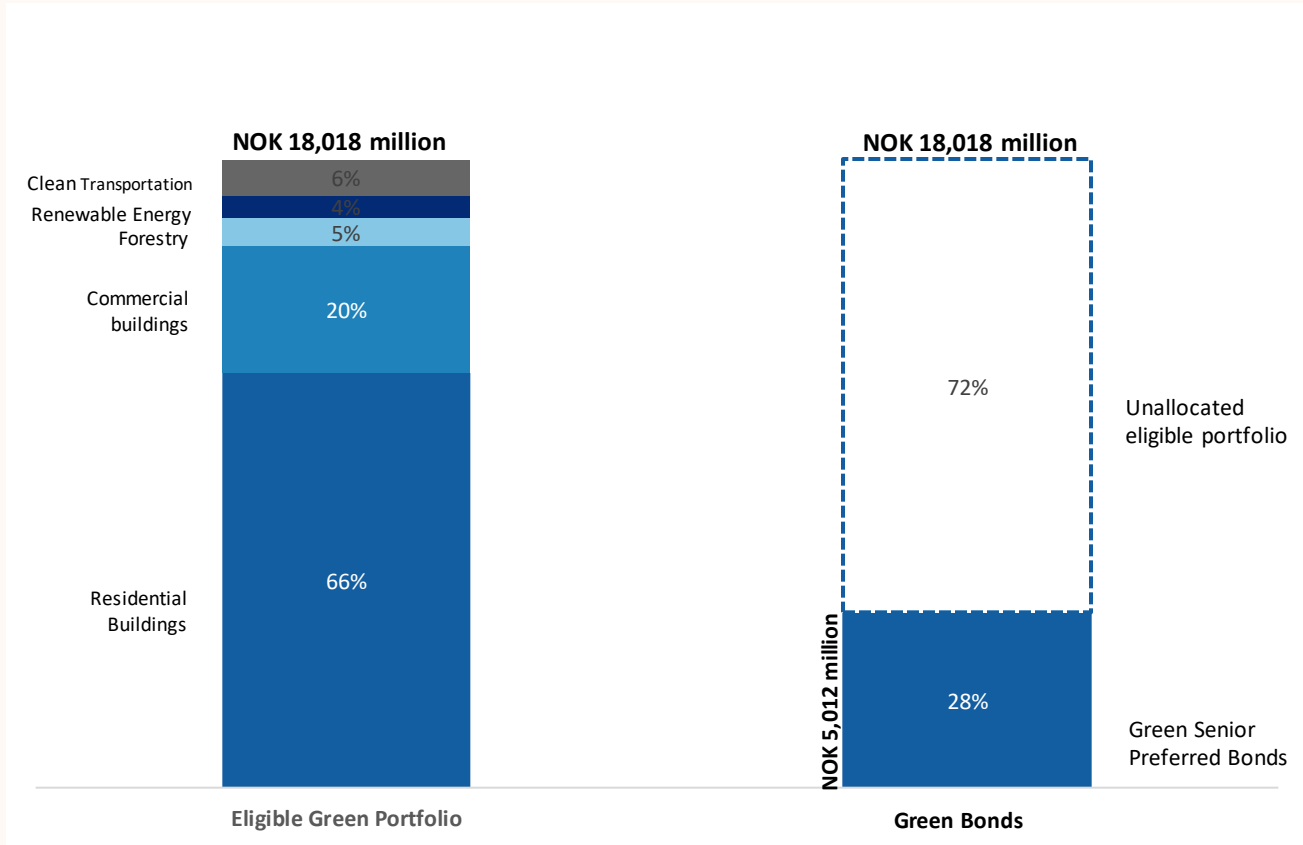
- NOK 5,012 million
- 27.8 %

Unallocated green loan portfolio

- NOK 13,005 million
- 72.2 %

Value added to the portfolio in 2021

- NOK 1,110 million
- + 7 %



SpareBank 1 Østlandet

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- One of the best capitalised regional savings bank in Norway - CET1 18.0 %, Capital adequacy ratio of 21.1 %, Leverage ratio 7.3 %
- Low risk bank book with a 74.0 % retail share
- Diversified income stream
- Long history of solid returns and profits. Stable low loan losses over time
- Largest owner of SPABOL, the covered bond issuer of the SpareBank 1 Alliance

Home market

- The fastest growing region of Norway for both population and job creation
- Low unemployment, high economic activity and cyclically stable
- Market leader in the Inland region, challenger in the Capital region

Norwegian economy

- Healthy recovery from the pandemic, Norges Bank hiking policy rates
- Solid labour market improvements
- Slower but better balance in the housing market

Funding and rating

- Rated Aa3 (stable outlook) by Moody's. SNP rated A3 by Moody's
- Deposit coverage ratio 76.0 %
- Sustainalytics ESG Risk Rating 12.3 ("Low Risk"). MSCI ESG Rating AA
- Green Bond framework established. CICERO Medium Green/Excellent.
- Access to covered bond financing through SpareBank 1 Boligkreditt (SPABOL)

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<https://www.sparebank1.no/en/ostlandet/about-us/investor.html>

Strong quarter with strong growth

Financial accounts 4Q 2021 (same quarter last year in brackets)

Good results

- Profit after tax in 4Q-21 of NOK 505 million (NOK 466 million)

High return on equity

- ROE in 4Q-21 of 11.1 % (11.3 %)

High capitalization

- CET 1 ratio 18.0 % (17.8%)

Strong lending growth

- Lending growth 2.0 % in 4Q-21 (0.2 %), incl. covered bond companies
- Lending growth 7.7 % (7.0 %) (incl. cov. bond companies) last 12 mths

Healthy deposit growth

- Deposit growth of 1.0 % in 4Q-21 (0.1 %)
- Deposit growth 7.7 % (9.1 %) last 12 months

Moderate loss provisions

- Losses of NOK 28 million in 4Q-21 (NOK 1 million).

Income statement

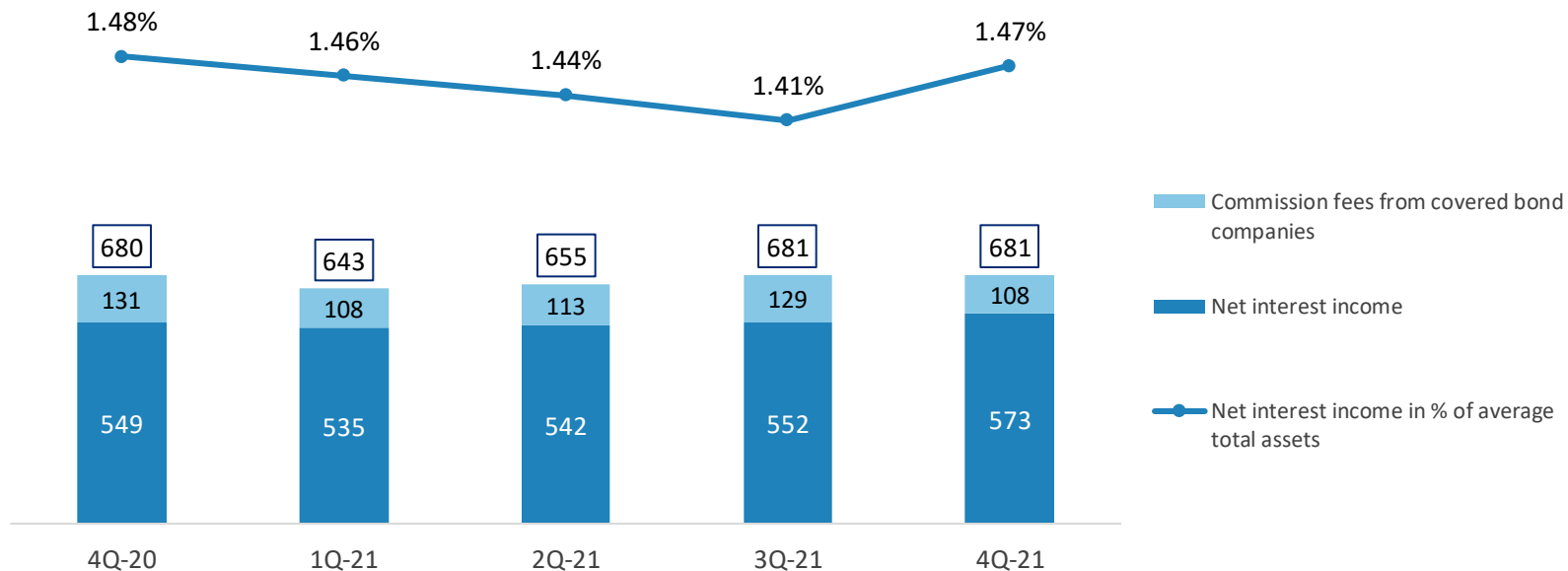
Group

	4Q-2021	4Q-2020	2021	2020
Net interest income	573	549	2,202	2,177
Net commission income	355	349	1,389	1,215
Other income	59	57	233	226
Dividends	0	29	21	41
Net profit from ownership interest	126	63	405	394
Net income from financial assets/liabilities	-14	55	174	109
Total operating expenses	531	504	1,980	1,902
Operating profit before losses on loans and guarantees	569	598	2,443	2,262
Impairment on loans and guarantees	28	1	5	330
Pre-tax operating profit	542	597	2,438	1,932
Tax expense	37	131	416	323
Profit/loss after tax	505	466	2,022	1,608
Return on equity	11.1 %	11.3 %	11.6 %	10.1 %
Cost/income ratio	48.3 %	45.7 %	44.8 %	45.7 %
Losses on loans as a percentage of gross loans	0.1 %	0.0 %	0.0 %	0.3 %

Higher net interest income, due to volume growth

Commission fees from covered bond companies strongly affected by higher money market rates

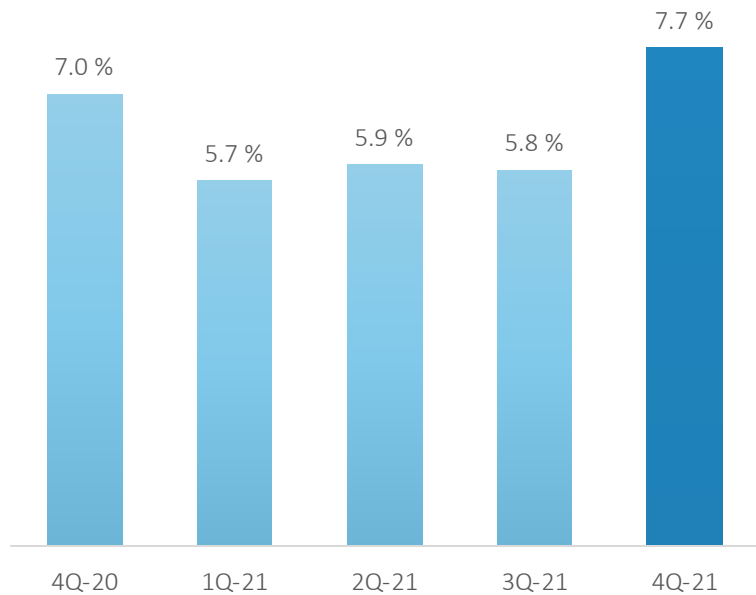
Net interest income incl. commissions from covered bond companies (MNOK and %)



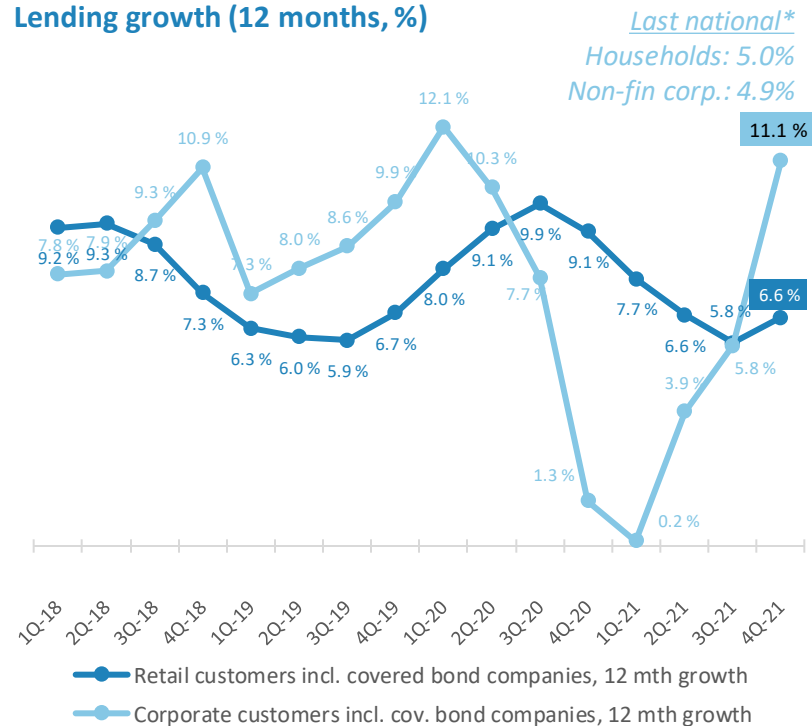
Very strong growth in lending

Increasing through the year and into 2022, both for retail and corporate (SME) market

Lending growth (12 months, %)



Lending growth (12 months, %)

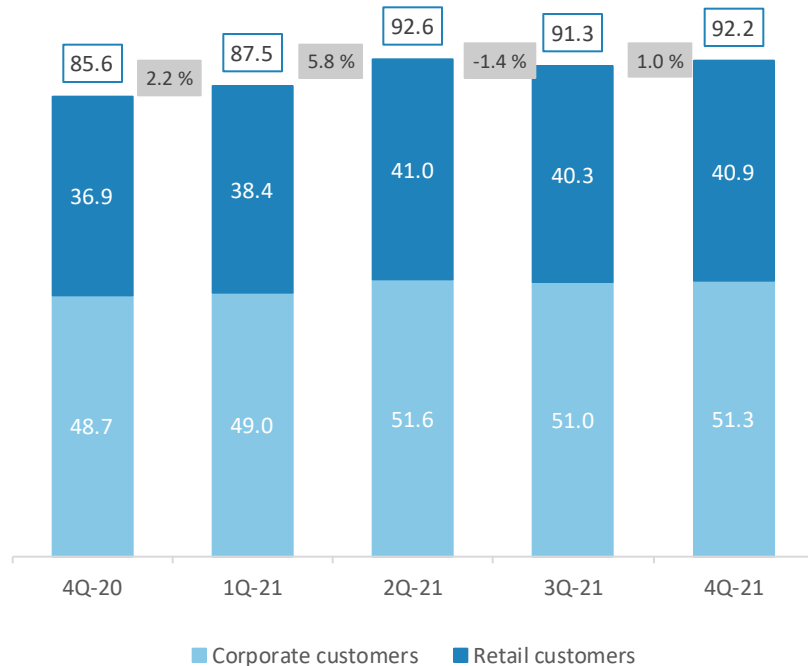


* Source: Statistics Norway. Per December 2021.

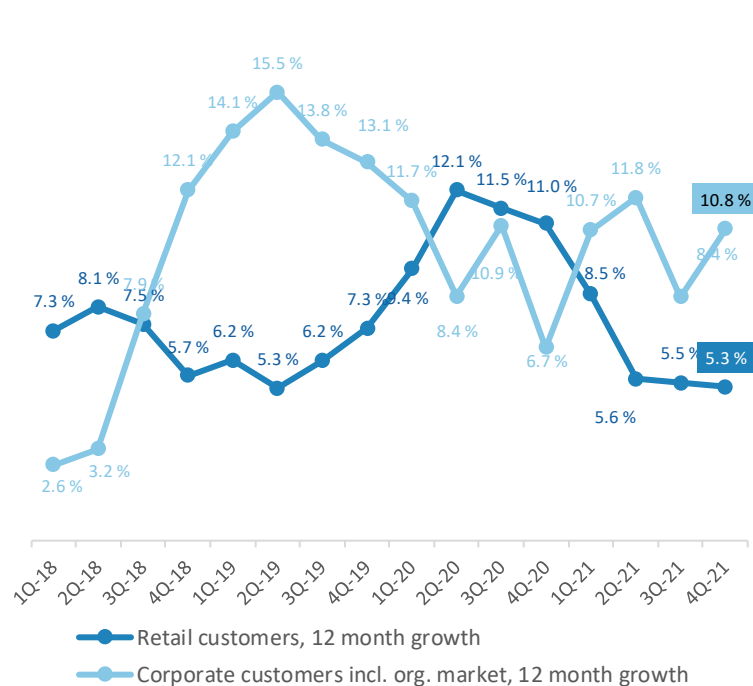
Healthy growth in deposits

High corporate deposit growth partly mirrors growth in corporate lending

Deposits (NOK billion)



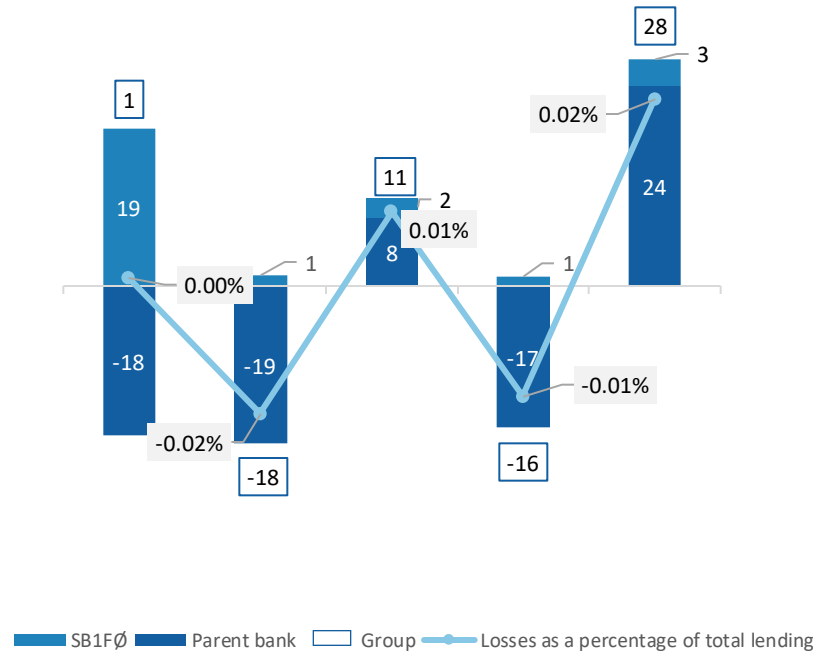
Deposit growth 12 months (%)*



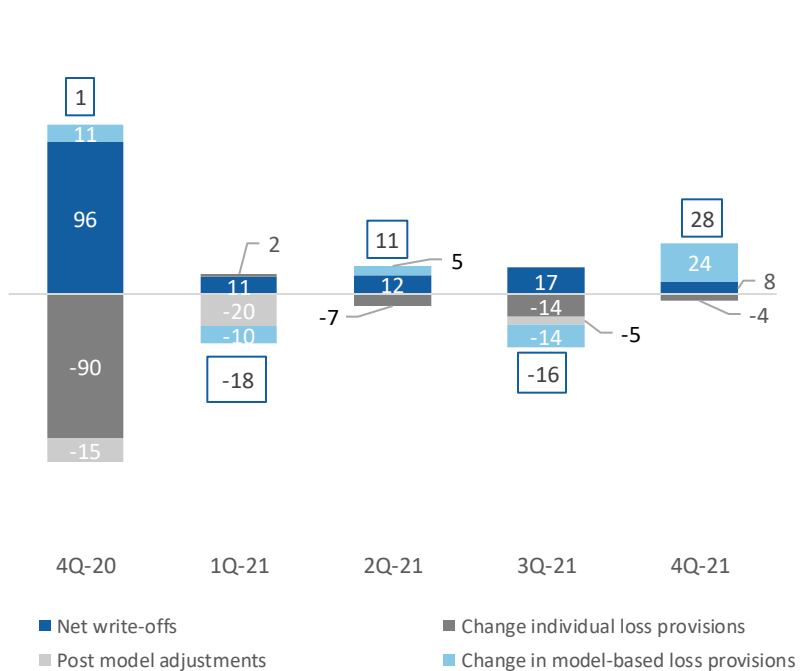
Increased loan loss provisions

Primarily due to growth and migration

Loan loss provisions (NOK million)



Loan loss provisions (NOK million)



	2021	2020
Market price (NOK)	145.60	97.80
Market capitalisation (NOK million)	16,865	11,328
Book equity per ECC ¹⁾	106.31	98.76
Earnings per ECC, NOK ²⁾	11.96	9.57
Price/Earnings per ECC ³⁾	12.18	10.22
Price/book equity ⁴⁾	1.37	0.99

1) Group book equity without hybrid capital, minority interest and provision for gifts x ownership interest* / number of ECC's

2) Profit after tax for controlling interests x Equity capital certificate ratio*/ number of ECC's.

3) Market price in NOK/annualized earnings per ECC.

4) Market price in NOK*nu of ECC's /book equity (parent bank) x equity capital certificate ratio*

5) Dividend adjusted return

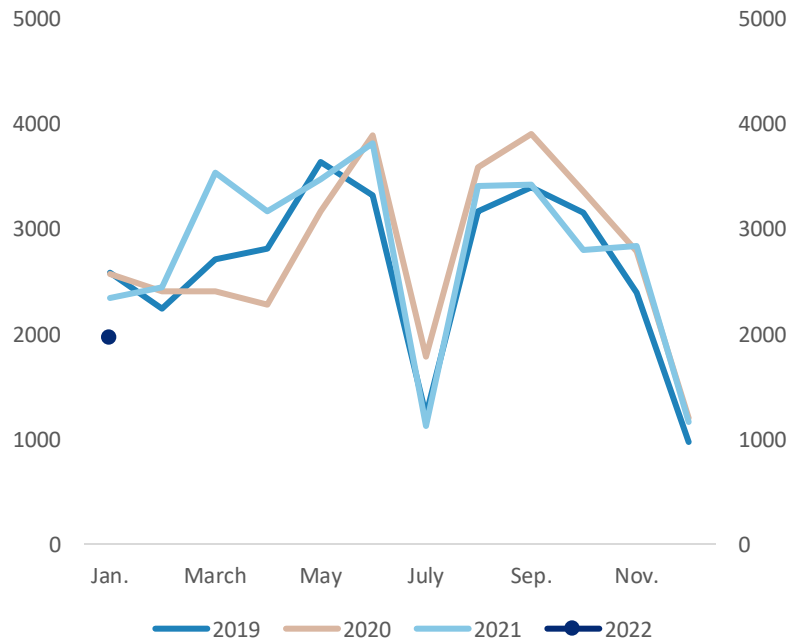
*Equity capital certificate ratio as at 31.12.2020

- SPOL return:
 - Return 4Q-21⁵ + 14.8 %
 - Return y/y⁵ + 54.6 %
- Higher liquidity in 4Q-21 than in same period in 2020.
 - Average daily transaction volume in 4Q 2021 of 29,013 ECCs (42,668).
 - Daily average turnover: NOK 4.1 million (3.9).

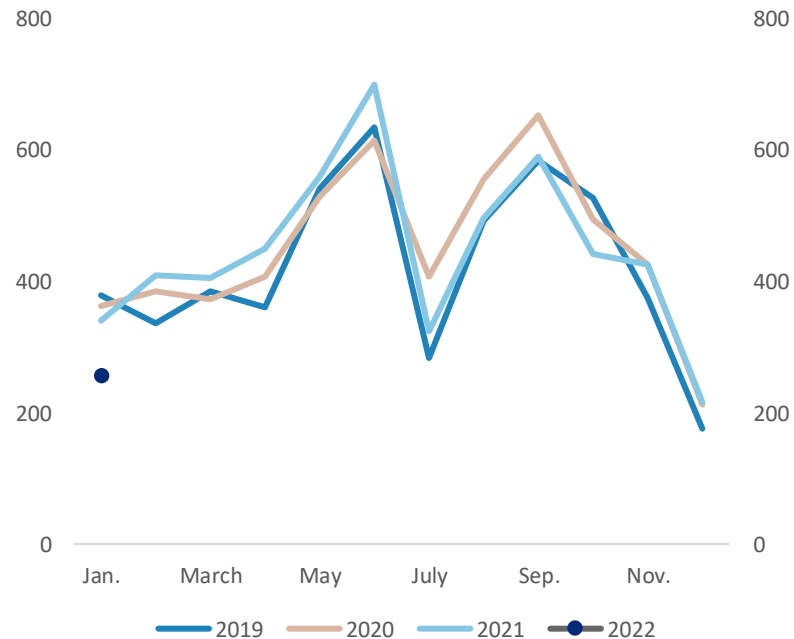
Record-high existing home sales in the bank's market area

First half of 2021 was particularly strong. Seasonal fall in 4Q. Bottle necks during start of 2022.

Capital region*, number of existing homes sold



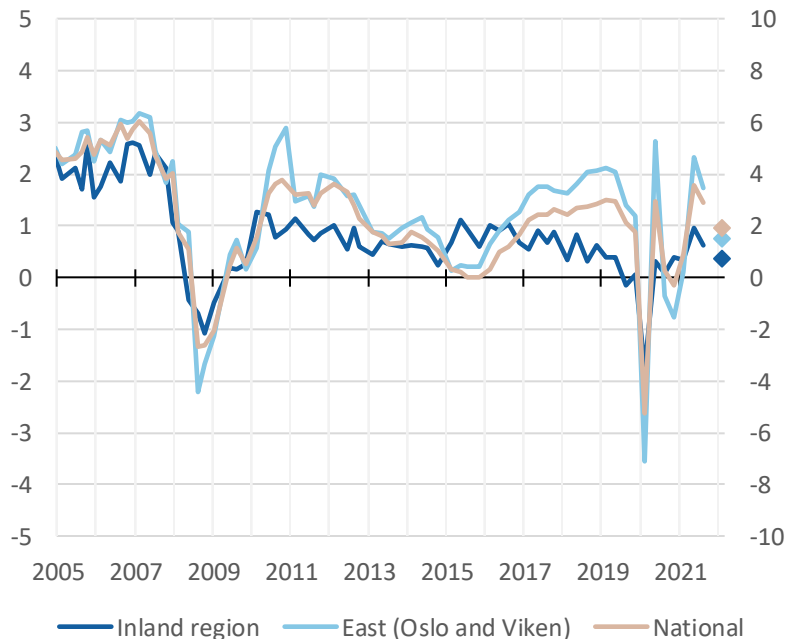
Inland region, number of existing homes sold



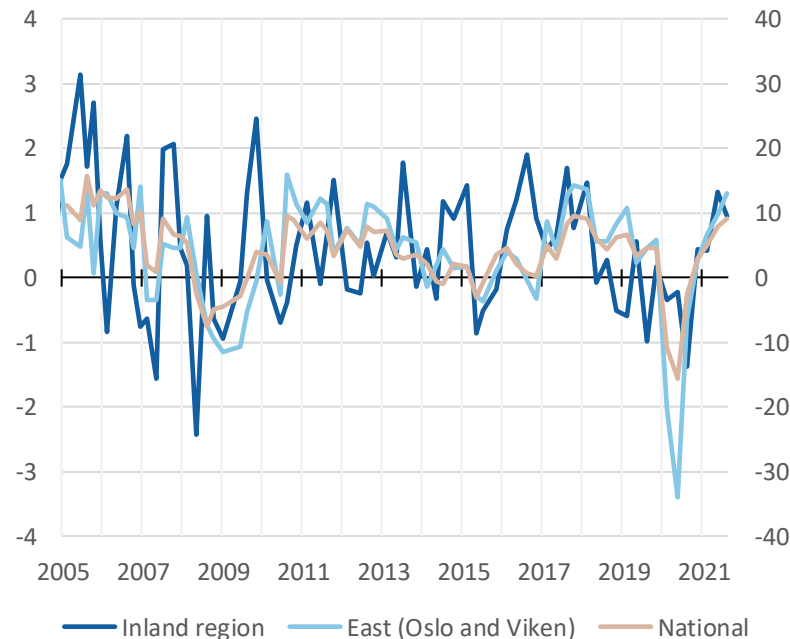
Strong production growth, expected growth in business investments

Strong improvement in East. Lower production growth in Inland, but high expected investment growth

Regional network: Production*



Regional network: Business investments**



Source: Norges Bank.

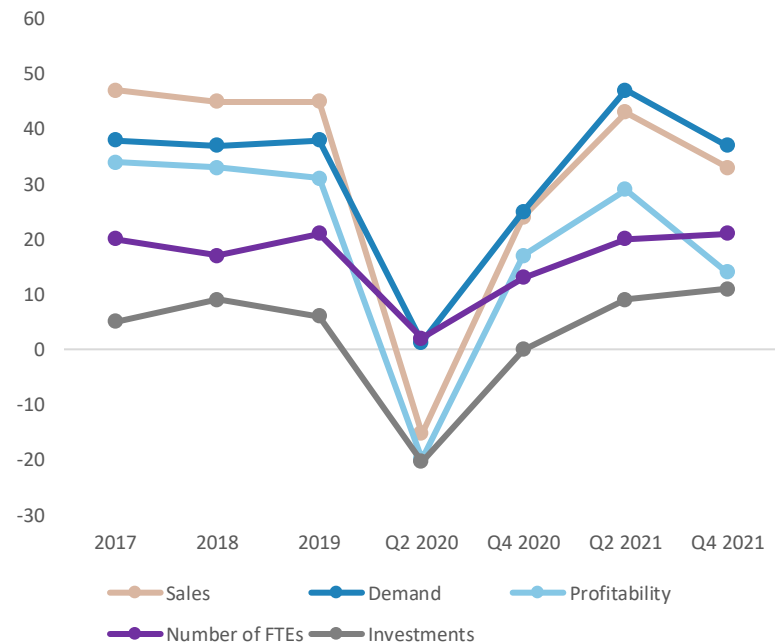
* Growth past 3 mth and expected next 6 mths. Index left axis, per cent (ann.) right axis.

** Expected change in investments next 12 mths. Index left axis, per cent right axis.

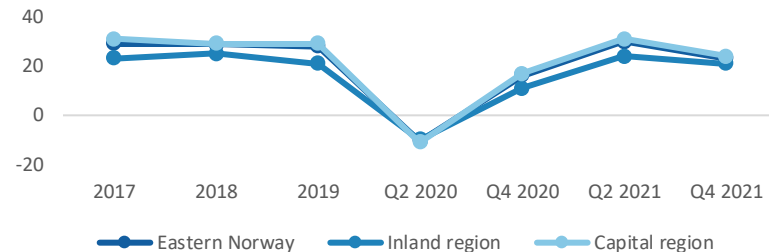
Optimistic expectations among businesses in the market area

Improvement for investments and employment, challenging profitability, due to cost concerns

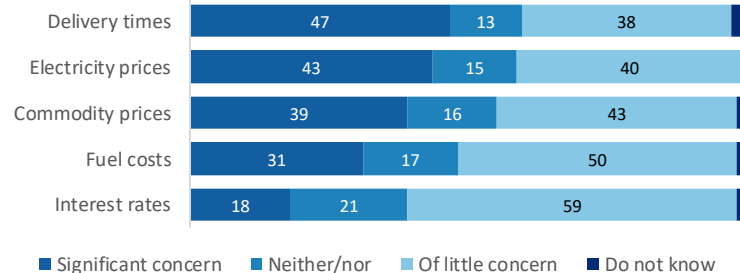
Business expectations survey, Eastern Norway*



Business expectations index*



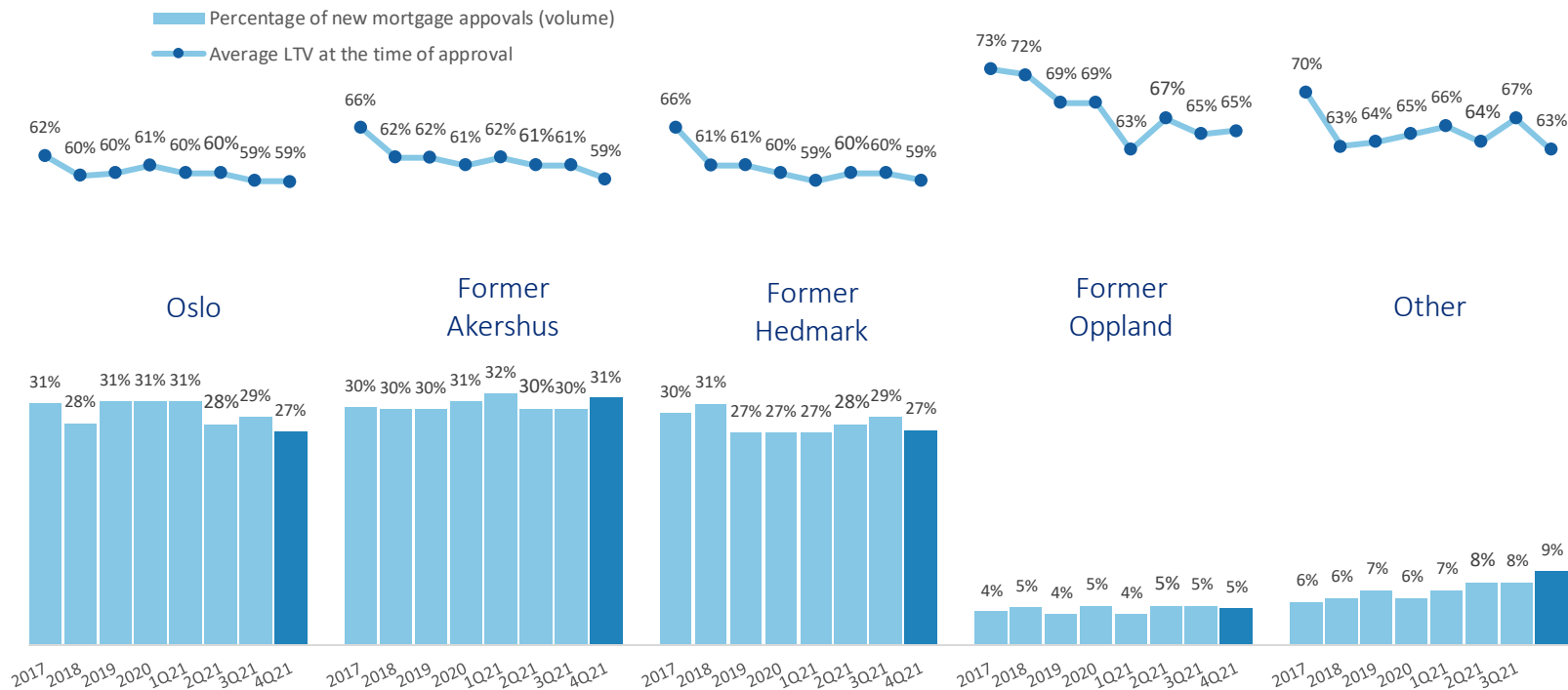
Future concerns



Sources: Kantar, SpareBank 1 Østlandet.
* Optimistic minus pessimistic responses.

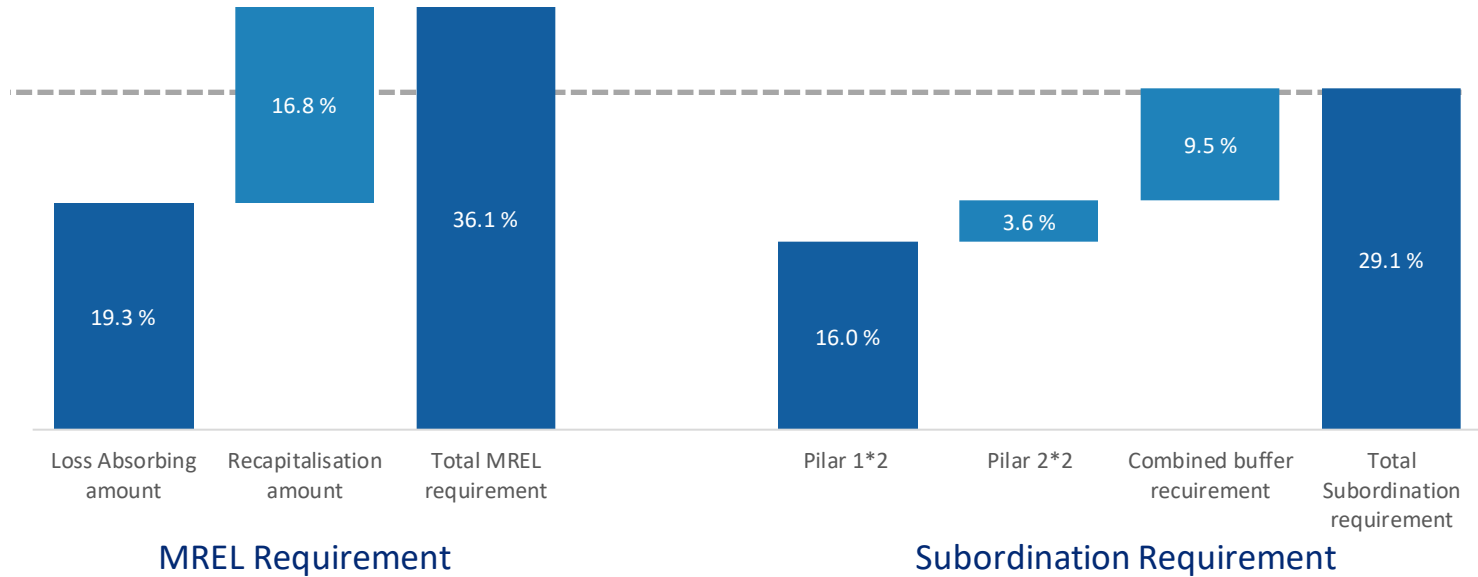
Stable low LTV in new mortgage approvals

Share of new mortgage approvals and average LTV per period and county



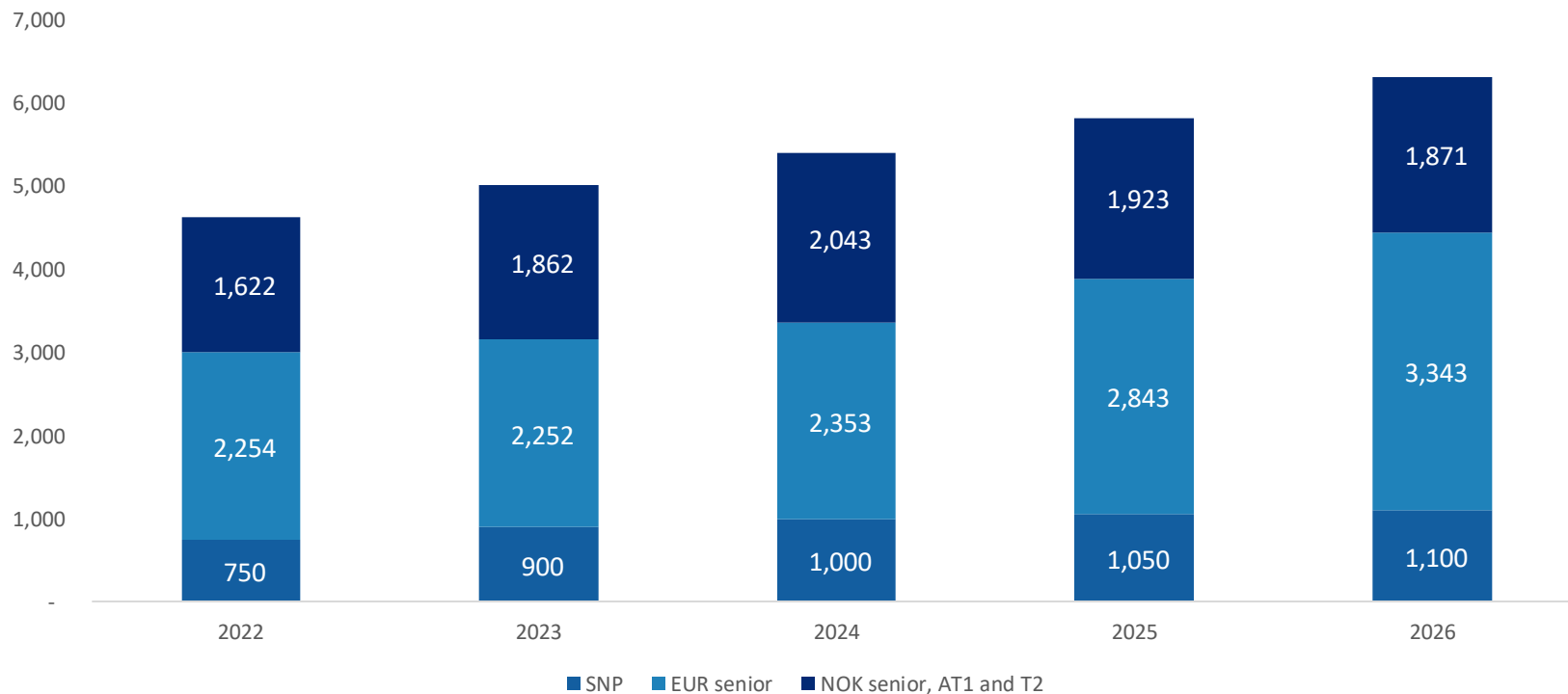
Subordination cap also in Norway – more Senior Preferred

MREL and Subordination Requirement



Less needs for SNP leads to more SP

Funding plans going forward



This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance.

Although SpareBank 1 Østlandet believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.

Important factors that may cause such a difference for SpareBank 1 Østlandet are, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels.

This presentation does not imply that SpareBank 1 Østlandet has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.