



Q1 2024

Interim financial
statements



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Main figures

NOK 388 million

Profit after tax

11.9%

Return on equity

18.9%

Common Equity Tier 1 capital ratio

Group	31.03.2024		31.03.2023		31.12.2023	
	m NOK	% ¹⁾	m NOK	% ¹⁾	m NOK	% ¹⁾
Summary of the results						
Net interest income	526	2.31	483	2.18	2 039	2.27
Net commission and other income	196	0.86	211	0.95	848	0.95
Net income from financial assets	116	0.51	33	0.15	100	0.11
Total net income	838	3.69	727	3.29	2 987	3.33
Total operating expenses	335	1.47	314	1.42	1 334	1.49
Operating profit before losses/profit before losses and tax	503	2.21	413	1.86	1 654	1.84
Losses on loans and guarantees	24	0.11	-1	0.00	-57	-0.06
Profit before tax	478	2.10	413	1.87	1 711	1.91
Tax expense	91	0.40	93	0.42	400	0.45
Profit after tax	388	1.71	320	1.45	1 310	1.46
Total other comprehensive income recognised as equity	2	0.01	-1	-0.01	-8	-0.01
Total comprehensive income	390	1.71	319	1.44	1 303	1.45
Interest hybrid capital (additional Tier 1 capital)	8	0.03	6	0.03	26	0.03
Total comprehensive income, incl. interest on hybrid capital	382	1.68	313	1.42	1 277	1.42

¹⁾ Calculated as a % of average total assets



Key figures

Group (amounts in NOK millions)	31.03.2024	31.03.2023	31.12.2023
Profitability			
Return on equity, profit before other comprehensive income ¹⁾	11.9%	10.4%	10.2%
Cost-income ratio, parent bank ¹⁾	35.8%	38.7%	36.8%
Cost-income ratio, Group ¹⁾	40.0%	43.3%	44.6%
Statement of financial position figures			
Gross lending to customers	75 849	71 510	72 862
Gross lending to customers incl. transfers to mortgage credit institutions ¹⁾	105 493	104 426	105 204
Deposits from customers	55 150	55 263	55 184
Deposit coverage ¹⁾	72.7%	77.3%	75.7%
Liquidity coverage ratio (LCR), liquidity reserve	263%	210%	202%
Growth in lending, incl. transferred to mortgage credit institutions in past 12 months. ^{1) 3)}	1.0%	0.8%	0.1%
Deposit growth in the past 12 months ^{1) 3)}	-0.2%	-0.6%	-0.1%
Total assets	92 877	89 897	90 003
Total assets, incl. transferred to mortgage credit institutions ¹⁾	122 521	122 813	122 345
Losses			
Loss rate on lending ¹⁾	0.03%	0.00%	-0.08%
Loans in Stage 3 as % of gross lending ¹⁾	0.90%	0.90%	0.94%
Losses (incl. SpareBank 1 Boligkreditt/Næringskreditt)			
Loss rate on lending (incl. transferred to mortgage credit institutions) ¹⁾	0.02%	0.00%	-0.05%
Loans in Stage 3 as percentage of gross lending (incl. transferred to mortgage credit institutions) ¹⁾	0.65%	0.62%	0.65%
Financial strength, Group (proportional consolidation)			
Capital adequacy ratio	21.6%	21.7%	21.8%
Tier 1 capital ratio	19.9%	20.0%	20.2%
Common Equity Tier 1 capital ratio	18.9%	19.1%	19.4%
Net primary	12 801	12 324	12 648
Tier 1 capital	11 811	11 364	11 687
Common Equity Tier 1 capital	11 218	10 856	11 207
Basis for calculation	59 297	56 920	57 916
Leverage Ratio	8.6%	8.3%	8.5%
Offices and staffing			
Number of bank branches	18	21	18
Number of FTEs	653	633	644
of which parent bank	448	418	436
Number of FTEs	681	659	671
of which parent bank	468	434	455

Equity certificates	31.03.2024	31.03.2023	31.12.2023
Equity certificate fractions	60.7%	60.7%	60.7%
Market price (NOK)	67.00	50.00	64.00
Market value (NOK millions)	9 387	7 005	8 966
Book equity per equity certificate (parent bank, NOK)	55.96	50.70	54.44
Book equity per equity certificate (Group, NOK) ¹⁾	56.64	51.90	55.00
Earnings per equity certificate (parent bank, NOK) ¹⁾	1.52	1.24	6.05
Earnings per equity certificate (Group, NOK) ¹⁾	1.65	1.36	5.47
Dividend per equity certificate (NOK)			3.88
Price/earnings per equity certificate (parent bank)	10.96x	9.95x	10.58x
Price/earnings per equity certificate (Group) ¹⁾	10.12x	9.05x	11.70x
Price/book equity (parent bank)	1.20x	0.99x	1.18x
Price/book equity (Group) ¹⁾	1.18x	0.96x	1.16x

¹⁾ Alternative performance measures are defined in a separate appendix to the interim report

About SpareBank 1 Sørøst-Norge

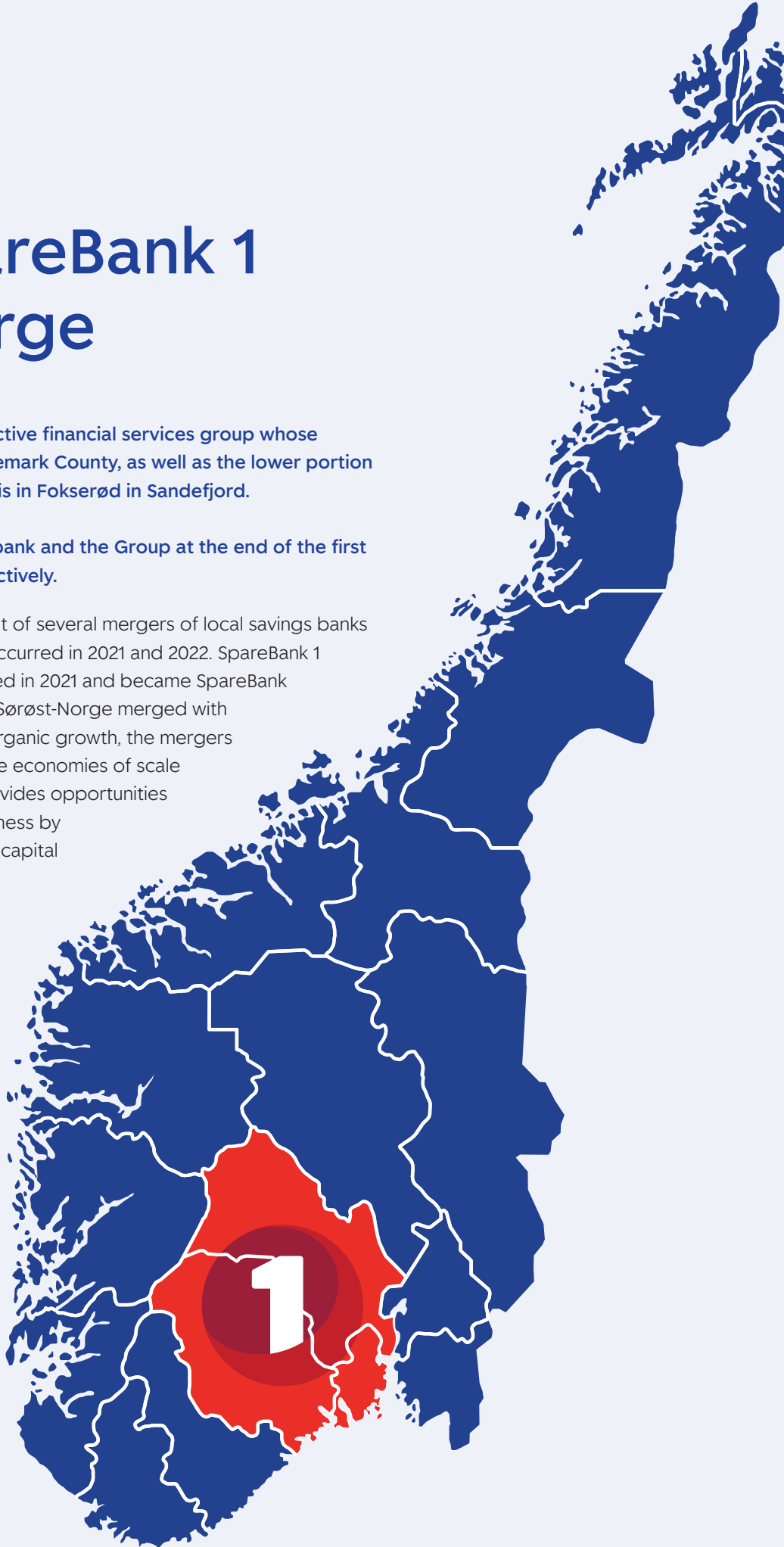
SpareBank 1 Sørøst-Norge is a proactive financial services group whose market area covers Vestfold og Telemark County, as well as the lower portion of Buskerud County. Its head office is in Fokserød in Sandefjord.

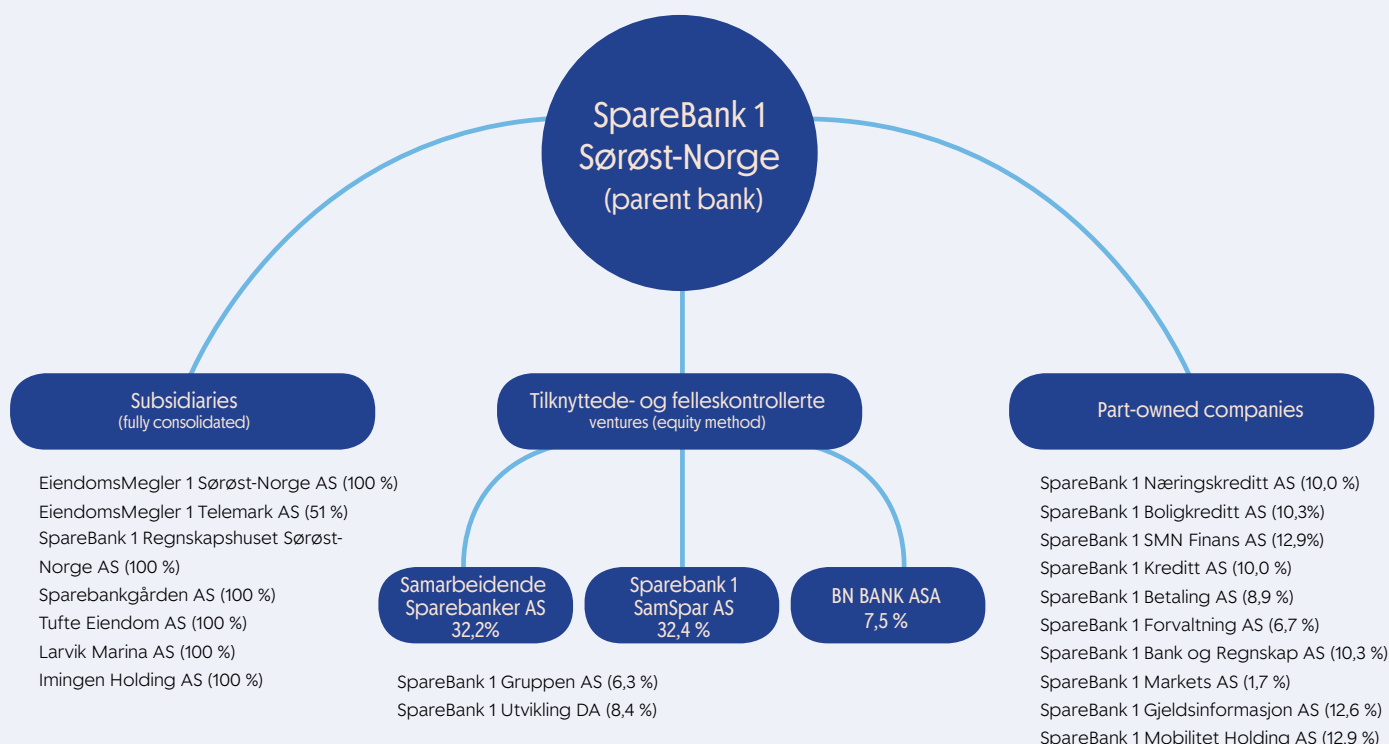
The numbers of FTEs in the parent bank and the Group at the end of the first quarter were 447.5 and 653.2, respectively.

SpareBank 1 Sørøst-Norge is the result of several mergers of local savings banks in the region. The last two mergers occurred in 2021 and 2022. SpareBank 1 BV and Sparebanken Telemark merged in 2021 and became SpareBank 1 Sørøst-Norge. In 2022, SpareBank 1 Sørøst-Norge merged with SpareBank 1 Modum. In addition to organic growth, the mergers have afforded the Group a size where economies of scale can be better exploited and that provides opportunities that allow us to improve competitiveness by using our own models for calculating capital requirements.

The Group's main activity consists of the parent bank, as well as the wholly owned subsidiaries EiendomsMegler 1 Sørøst-Norge AS and SpareBank 1 Regnskapshuset Sørøst-Norge AS. In addition, the Bank owns 51% of EiendomsMegler 1 Telemark.

The region has a diverse business sector. SpareBank 1 Sørøst-Norge has a total of 18 branches spread across cities and towns in areas seeing economic growth. The business sector in the Bank's market areas is well diversified with the varied composition of the sectors represented by the public sector, industry, power, technology, research and trade.





Important financial events in the first quarter

On 26.10.2023, the boards of SpareBank 1 SR-Bank ASA and SpareBank 1 Sørøst-Norge approved a plan to merge the banks (merger plan) to form SpareBank 1 Sør-Norge ASA. The merger of SpareBank 1 SR-Bank ASA and SpareBank 1 Sørøst-Norge was approved by the Supervisory Council of SpareBank 1 Sørøst-Norge and by the general meeting of SpareBank 1 SR-Bank ASA on 05.12.2023.

A dedicated project organisation is responsible for preparing for the merger and is addressing the legal and competition law considerations that must be addressed.

The merger is still contingent on approvals from the authorities. On 17.04.2024, the Norwegian Competition Authority announced that it had no comments on the merger plan and that it had completed its work on the application. Assuming that the authorities will approve the merger, the legal merger is scheduled for 01.10.2024.

The period just ended was one with a high level of activity in the Norwegian economy. Almost 20,000 more people found jobs in 2023, although weak economic growth is expected and the growth in credit has been trending downwards. There are also major differences between industries. Price inflation is now falling again, although it remains higher than Norges Bank's target. Price inflation is likely to fall further, including because inflation in the countries from which Norway imports goods is falling. At the same time, some factors are helping to keep price inflation up. One of these is the fact that the Norwegian krone's exchange rate has weakened. A weaker Norwegian krone exchange rate means that what we buy from abroad is more expensive measured in Norwegian kroner. The second is that wages have risen by a lot. Wage rises have been smaller than the increase in living costs faced by many, but for companies, higher wages always lead to higher costs, which in turn can lead to higher prices. Therefore, it may take time before price inflation returns to the target of 2% and before Norges Bank lowers its policy rate.



Board of Directors' Interim Report

The SpareBank 1 Sørøst-Norge Group

The interim financial statements have been prepared in accordance with IAS 34 Interim reporting.

The comments and figures below refer to the Group unless explicitly stated otherwise. Figures in brackets relate to the corresponding period last year.

Planned implementation of the merger with SpareBank 1 SR-Bank ASA

On 26.10.2023, the Board of Directors announced a plan to merge with SpareBank 1 SR-Bank ASA to form SpareBank 1 Sør-Norge ASA. On 05.12.2023, the merger plan was unanimously approved at a meeting of the Supervisory Board of SpareBank 1 Sørøst-Norge. On 17.04.2024, the Norwegian Competition Authority announced that it had no comments on the merger plan and that it had completed its work on the application.

SpareBank 1 Sør-Norge ASA will become Norway's largest savings bank and the country's second largest bank, as well as a strong competitor for Norwegian and Nordic commercial banks.

Both SpareBank 1 Sørøst-Norge and SpareBank 1 SR-Bank are the results of numerous mergers over many years. SpareBank 1 Sørøst-Norge has been particularly active in recent years with the mergers with SpareBank 1 BV and Sparebanken Telemark in 2021 and SpareBank 1 Modum in 2022. The mergers were driven by a desire to approach the opportunities and challenges facing the banking industry in a proactive manner by implementing structural measures during good times that would ensure future competitiveness. The merger with SpareBank 1 SR-Bank will enable faster access to IRB methodology, while surplus capital will be put to work at a higher rate of profitability and at an early point than otherwise would be the case. This will strengthen the new group's competitiveness.

The merger with SpareBank 1 SR-Bank entails conversion to an ASA Bank. This means that the three savings bank foundations that have not received final settlement for their primary capital will have their entire capital converted into shares in SpareBank 1 Sør-Norge ASA. The agreement thus ensures that the capital will remain where it was created and benefit local communities. The new financial services group will have seven strong local savings bank foundations as owners, and these will strengthen the Group's local profile and market position. The conversion means that together the foundations will own around 45% of the shares in the new group. The foundations' articles of association stipulate the individual foundation's minimum ownership interest such that together they will own a minimum of 33.4% of the shares in SpareBank 1 Sør-Norge ASA, thereby ensuring Norwegian ownership.

Given that SpareBank 1 SR-Bank and SpareBank 1 Sørøst-Norge do not have overlapping locations, the Group's branch networks will complement each other and strengthen the new bank's overall presence, from Bergen to Oslo. Through this presence, SpareBank 1 Sørøst-Norge will use its strength and lifting capacity to create further growth and development in the business sectors and local communities. By also becoming Norway's largest savings bank, the new group will provide the region with a strong player that can offer larger companies a partner with expertise, product breadth and financial lifting capacity. Thanks to new bank's size and strength, it will be even better able to attract the best expertise by offering attractive and skilled jobs throughout Southern Norway. The merger plan has been well received by employees, owners and customers.

A dedicated project organisation is responsible for preparing for the merger and preparations were proceeding according to plan at the end of the first quarter.

The merger is still contingent on approvals from the authorities. On 17.04.2024, the Norwegian Competition Authority announced that it had no comments on the merger plan and that it had completed its work on the application. Assuming that the authorities will approve the merger, the legal merger is scheduled for 01.10.2024.

Highlights from the financial performance and statement of financial position performance as at 31.03.2024 are shown below, with the figures as at 31.03.2023 in brackets.

Highlights for the period 01.01 to 31.03

- Ordinary profit after tax NOK 388 (320) million
- Net interest income NOK 526 (483) million
- Net income from financial assets NOK 116 (33) million
 - Profit contributions from SpareBank 1 Gruppen and BN Bank ASA of NOK 13 (11) million and NOK 18 (13) million, respectively
- Losses on loans and guarantees of NOK 24 (-1) million
- Return on equity of 11.9% (10.4%)
- Lending and deposit growth in the past 12 months of 1.0% (0.8%) and -0.2% (-0.6%), respectively

Financial performance

Cumulative figures as at 31.03 unless explicitly stated otherwise.

Results for the first quarter compared with the previous quarter

The Group's profit before tax was NOK 478 million for the first quarter of 2024, compared with NOK 395 million for the previous quarter. This resulted in a return on equity after tax of 11.9% in the quarter, up from 9.3% in the

fourth quarter of 2023. The increase in profit from the previous quarter was mainly due to increased income from financial assets and lower operating expenses. Net interest income, including mortgage credit institutions, was around the same level it was in the previous quarter.

Net interest income

Net interest income amounted to NOK 526 million in the first quarter of 2024, down NOK 16 million from the previous quarter. Net interest income as a percentage of average total assets was 2.31% at the end of the quarter, compared with 2.38% for the previous quarter.

Net commission and other income

Net commission and other income amounted to NOK 196 million in the first quarter of 2024, up NOK 5 million from the previous quarter. Commission income from credit institutions increased by NOK 12 million and income from money-transfer services decreased by NOK 10 million in the first quarter of 2024.

Net income from other financial investments

Net income from financial assets amounted to NOK 116 million in the quarter, an increase of NOK 110 million from the previous quarter. Recognised dividends amounted to NOK 57 million in the quarter, up NOK 38 million from the previous quarter. Income from ownership interests in SpareBank 1 Gruppen and BN Bank ASA totalled NOK 31 million in the quarter, which overall represents an increase of NOK 34 million from the previous quarter. Net profit from financial investments amounted to NOK 28 million in the quarter, up NOK 38 million from the previous quarter. The increase was mainly due to positive changes in the values of derivatives and fixed rate loans.

Operating expenses

Operating expenses amounted to NOK 335 million in the quarter, down NOK 51 million from the previous quarter. Measured as a percentage of income, the cost level was reduced to 40.0% compared with 52.2% in the previous quarter.

Salaries and other personnel expenses amounted to NOK 194 million in the quarter, a reduction of NOK 36 million from the previous quarter. The decrease was due to provisions for profit sharing and termination costs in connection with the transition from defined benefit pensions to defined contribution pensions in the previous quarter. The number of FTEs at the end of the first quarter of 2024 was 653, compared with 644 at the end of the previous quarter.

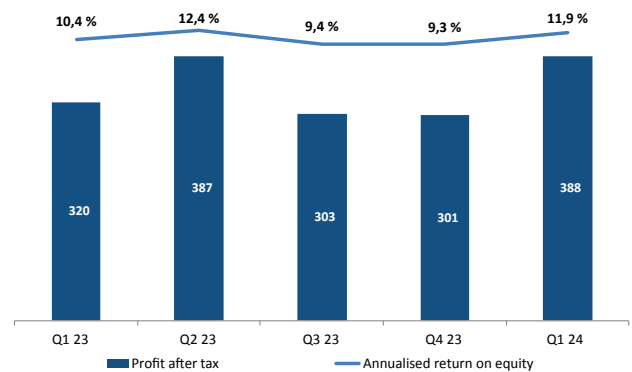
Other operating expenses amounted to NOK 141 million in the quarter, which is a decrease of NOK 15 million compared with the previous quarter. The decrease was mainly attributable to one-off costs in the first quarter of NOK 3 million in connection with the merger, compared with NOK 13 million in the previous quarter, as well as costs for consultants linked to compliance with statutory requirements.

Results for the first quarter compared with the same quarter last year

The SpareBank 1 Sørøst-Norge Group posted a profit from ordinary operations before losses of NOK 503 (413) million. Profit after tax was NOK 388 (320) million, which represents 1.71% (1.45%) of average total assets. The Group's return on equity was 11.9% (10.4%).

Earnings per equity certificate in the parent bank were NOK 1.52 (1.24) and in the Group NOK 1.65 (1.36).

Quarterly performance of profit after tax and return on equity:

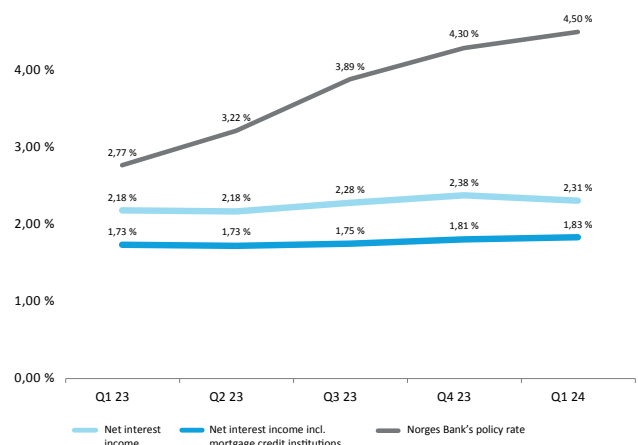


Net interest income

Net interest income amounted to NOK 526 (483) million. Net interest income as a percentage of average total assets was 2.31% (2.18%). An improvement in net interest income compared with the first quarter of last year was mainly due to a better interest margin. The development of net interest income was influenced by rising interest rates, which have resulted in higher deposit margins. The Bank adjusted its lending and deposit rates in 2023 due to Norges Bank's successive increases in its policy rate.

At the end of the quarter, the Bank had transferred mortgages worth NOK 28 201 (31 434) million to SpareBank 1 Boligkreditt AS, and NOK 1 443 (1 482) million to SpareBank 1 Næringskreditt AS. Earnings from these loan portfolios are shown under net commission income and amounted to NOK 32 (40) million.

Quarterly change in net interest income:



Net commission and other income

Net commission and other income totalled NOK 196 (211) million.

Net commission income

Net commission income amounted to NOK 137 (133) million. The commissions from SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS accounted for NOK 32 (40) million of this.

Other operating income

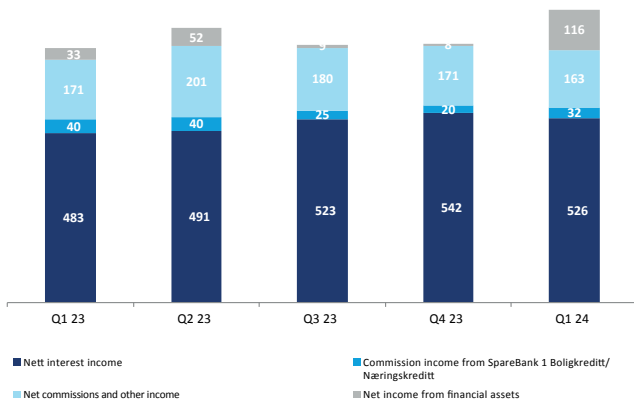
Other operating income amounted to NOK 72 (78) million.

Net income from financial assets

Net income from financial assets amounted to NOK 116 (33) million. The main items consist of NOK 57 (3) million in dividends received, NOK 31 (26) million in net profit from ownership interests, and net result from other financial investments of NOK 28 (4) million.

The net result from ownership interests includes the results from SpareBank 1 Gruppen AS and BN Bank ASA of NOK 13 (11) million and NOK 18 (13) million, respectively. The indirect ownership interest in SpareBank 1 Gruppen AS is 6.3% and the direct ownership interest in BN Bank ASA is 7.5%.

Quarterly change in income (NOK millions):



Income from ownership interests, SpareBank 1 Gruppen

SpareBank 1 Gruppen posted a profit before tax of NOK 316 (363) million, which is NOK 47 million lower than that for the same quarter in 2023. Higher claims rates, especially in relation to private homes, contributed to the drop in profit. On the other hand, the equity market resulted in higher financial income in this year's first quarter compared with last year. Its profit after tax was NOK 271 (272) million.

The Fremtind Forsikring Group posted a profit before tax of NOK 233 (366) million. The result for the Group's insurance services was NOK -102 (267) million, down NOK 369 million. There was a marked increase in the frequency of claims and average claims with respect to water damage due to frost, wear and age. Claims for fires also totalled NOK 81 (21) million. Net income from investments totalled NOK 351 (295) million at the end of the first quarter. The return on the equity portfolio was 9.2% (6.6%). SpareBank 1 Forsikring's profit before tax amounted to NOK 147 (57) million. Its profit after tax was NOK 112 (44) million. A better result from insurance contracts and financial return on the company portfolio has resulted in an improvement in the profit so far this year.

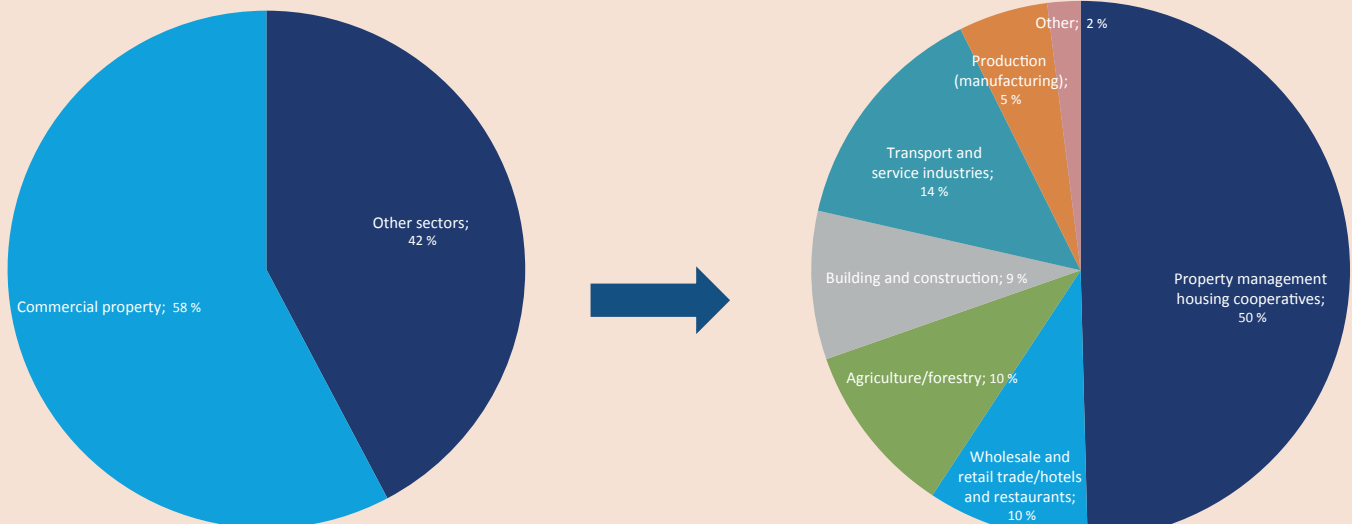
Income from ownership interests, BN Bank ASA

BN Bank ASA posted a profit for the first quarter of NOK 247 (183) million. SpareBank 1 Sørøst-Norge owns 7.5% of BN Bank ASA. SpareBank 1 Sørøst-Norge's share of BN Bank's profit amounted to NOK 18 (13) million.

Operating expenses

Total operating expenses amounted to NOK 335 (314) million, of which NOK 3 (0) million was due to merger costs. Operating expenses as a percentage of total operating income for the Group came to 40.0% (43.3%). The corresponding cost-income ratio for the parent bank was 35.8% (38.7%).

Corporate market – volume in commercial property and other industries



Personnel expenses

Personnel expenses amounted to NOK 194 (177) million. The increase in personnel expenses was due to an increase in the number of FTEs, as well as general wage growth. The number of FTEs at the end of the quarter was 653 (633), of which the parent bank employed 448 (417).

Other operating expenses

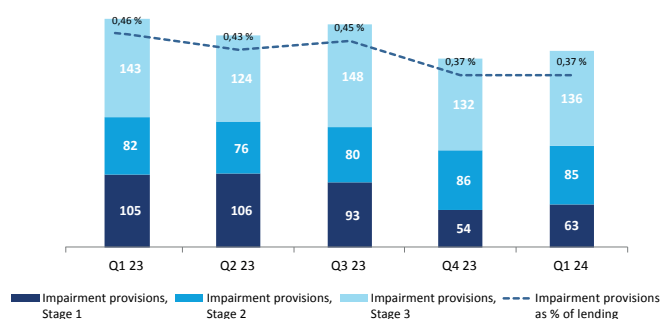
Other operating expenses were NOK 141 (137) million. Merger-related on-off costs amounted to NOK 3 (0) million. Taking into account merger costs, operating expenses were around the same level they were for the same quarter last year.

Losses and impairment provisions

Losses charged as costs amounted to NOK 24 (-1) million. Impairment provisions for loans and guarantees amounted to NOK 283 (331) million, which was equivalent to 0.37% (0.46%) of gross lending on the statement of financial position.

In the fourth quarter of 2023, in addition to individual loss assessments, the Bank decided to move real estate projects and building and construction from Stage 1 to Stage 2 since these industries face major challenges as a result of a historic decline in investments in housing in 2023 and the outlook for the next few years. The decision to migrate them to Stage 2 was upheld at the end of the first quarter of 2024. The Bank also assessed the IFRS 9 model's scenario weighting in this quarter as well. The scenario weights were unchanged for the corporate market portfolio and the retail market portfolio for the current quarter. The weighting includes an increase in the worst-case scenario and reflects the uncertainty about with future economic developments. Please see the more detailed comments in Note 6.

Quarterly change in impairment provisions, accumulated figure:



Statement of financial position performance

The Group's total assets amounted to NOK 92 877 (89 897) million. The Group's business capital (total assets including loans transferred to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS) amounted to NOK 122 521 (122 813) million.

Lending and deposit performance

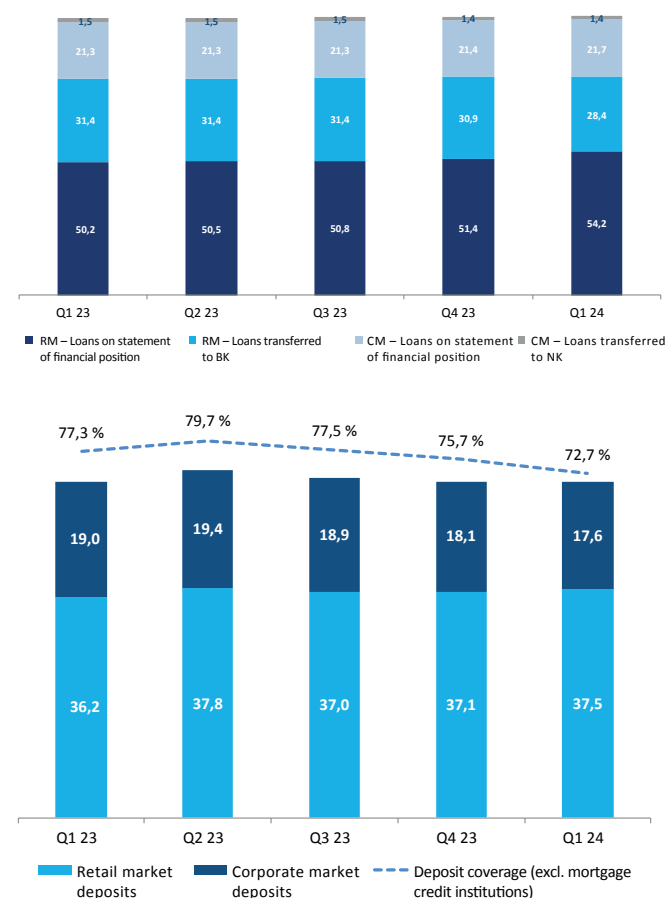
Gross lending (including the volume transferred to SpareBank 1 Boligkreditt AS/SpareBank 1 Næringskreditt AS) amounted to NOK 105 493 million. The past 12 months have seen lending growth of 1.0%. NOK 701 million (0.9%) of the growth came in the retail market and NOK 366 million (1.6%) in the corporate market. The retail market's share of lending (including SpareBank 1 Boligkreditt AS) at the end of the quarter was 78% (78%).

At the end of the quarter, the Group had a deposit volume of NOK 55 150 million with deposit growth of -0.2% in the past 12 months. NOK 1 272 million (3.5%) of the growth came in the retail market and NOK -1 385 million (-7.3%) in the corporate market.

The Group had a deposit coverage ratio of 72.7%, compared with 77.3% at the same time last year. Including the volume transferred to SpareBank 1 Boligkreditt AS/SpareBank 1 Næringskreditt AS, the deposit coverage ratio amounted to 52.3% (52.9%).

The retail market's share of deposits at the end of the quarter was 68% (66%).

Quarterly change in loans and deposits:



Liquidity

The Bank's liquidity situation at the end of the quarter is good. The Bank's liquidity portfolio was valued at NOK 9 080 (9 381) million and its LCR at 263% (210%). The Bank

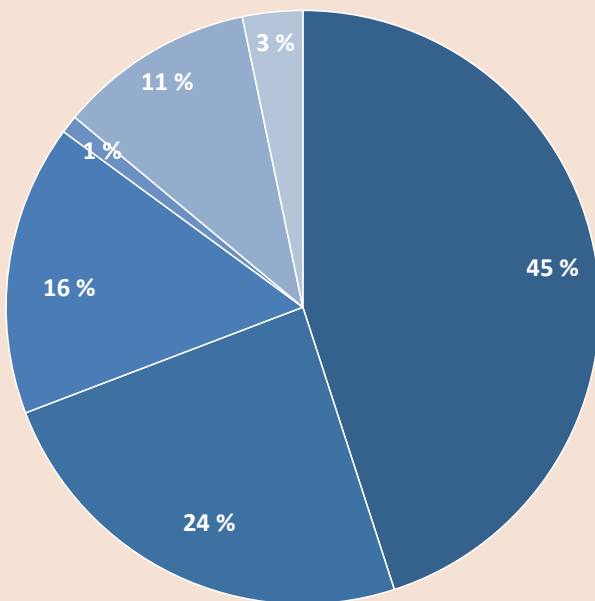
aims to keep its liquidity risk low. In a normal market, SpareBank 1 Sørøst-Norge’s goal is to be able to maintain ordinary operations for a minimum of 12 months without access to new external financing. The Bank was well above this target as at the end of the first quarter.

At the end of the quarter, mortgages totalling NOK 28 201 (31 434) million had been transferred to SpareBank 1 Boligkreditt AS. The total portfolio of loans ready for transfer to SpareBank 1 Boligkreditt AS amounted to NOK 30 987 (27 435) million. In addition, the Bank has transferred loans to SpareBank 1 Næringskreditt AS worth NOK 1 443 (1 482) million as at 31.03.2024. Mortgages totalling NOK 2.85 billion were transferred back from SpareBank 1 Boligkreditt in connection with the merger with SpareBank 1 SR-Bank ASA.

The Group’s target was to increase the average term to maturity of its bond debt to a minimum of 3.0 years. At the end of the quarter, the average term to maturity was 3.0 (3.0) years.

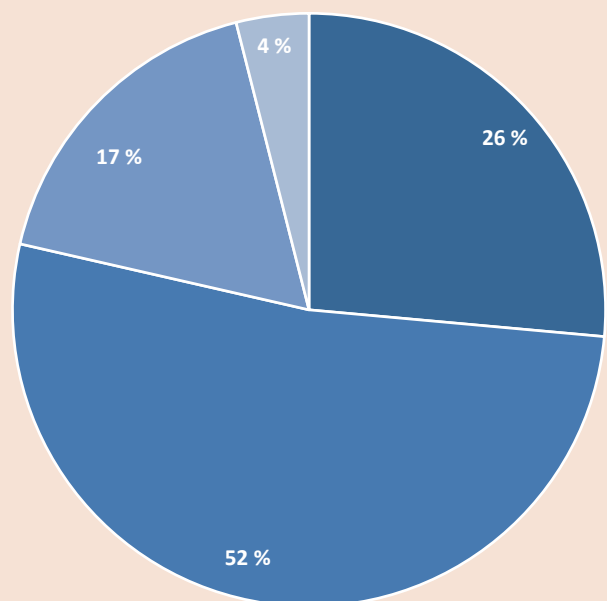
The Financial Supervisory Authority of Norway updated three requirements for the Bank in December 2023, where it was decided that SpareBank 1 Sørøst-Norge must have a risk-weighted MREL (total own funds and eligible liabilities) requirement of 28.0%. Given that own funds used to meet risk-weighted MREL cannot simultaneously be used to cover the combined buffer requirement (7.5%), the actual requirement for own funds and eligible liabilities (effective MREL capital) is 37.5% of the adjusted basis for calculation at any given time. Furthermore, based on the “supervision formula” in section 20-7, fifth paragraph, letter b of the Financial Institutions Regulations, the Financial Supervisory Authority of Norway has concluded that the Bank must have own funds and subordinated debt totalling a minimum of 30.5% of the adjusted basis for calculation. At the end of the quarter, the Bank had issued NOK 4 750 (3 500) million in subordinated debt (SNP bonds). The Group’s risk-weighted MREL is calculated to be 45.1% and its “actual” MREL capital to be 31.2%. The Group met both MREL requirements at the end of the quarter.

Funding sources



■ Deposit coverage (excl. mortgage credit institutions) ■ Equity ■ Subordinated loans and additional Tier 1 capital ■ Mortgage ■ Bond debt ■ Other

The liquidity portfolio



■ State/state-guaranteed ■ Covered bonds ■ County/municipality ■ Other

Equity

Capital adequacy

In capital adequacy calculations, SpareBank 1 Sørøst-Norge uses the standard method for calculating credit risk and the basic method for operational risk. The Bank reports its capital adequacy on a consolidated basis. The Bank proportionally consolidates its ownership interests in SpareBank 1 Boligkreditt AS, SpareBank 1 Næringskreditt AS, SpareBank 1 Kreditt AS, SpareBank 1 Finans Midt-Norge AS and BN Bank ASA.

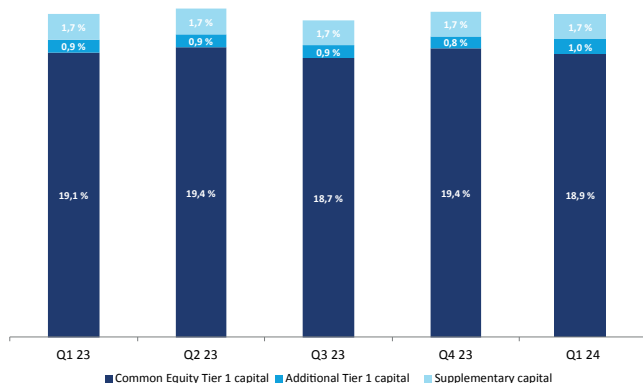
The regulatory requirement for the Common Equity Tier 1 capital ratio at the end of the first quarter of 2024 pursuant

to new Regulations was 15.4% exclusive of the management buffer. The Group’s target for the Common Equity Tier 1 capital ratio is 17.0%. At the end of the first quarter of 2024, the Common Equity Tier 1 capital ratio was 18.9% (19.1%) and the leverage ratio was 8.6% (8.3%). The accounts have not been audited, so the result to date this year has not been allocated to the primary capital. Mortgages totalling NOK 2.85 billion were transferred back from SpareBank 1 Boligkreditt AS in connection with the merger with SpareBank 1 SR-Bank ASA. As a result, the basis for calculation increased by approximately NOK 1 billion in the first quarter.

The regulatory requirement for the leverage ratio is 3.0%. The targets for the Common Equity Tier 1 capital ratio and

the leverage ratio were met by a good margin at the end of the first quarter of 2024.

Quarterly change in capital adequacy:



Transactions with close associates

The Group has not carried out any transactions with close associates that had a significant impact on the company's position or results during the reporting period.

Macroeconomic outlook

The main scenario for the Norwegian economy in 2024 is that interest rates have peaked and growth will pick up. Price inflation is slowing and unemployment remains low. Parts of the Norwegian economy are experiencing good growth, although the building and construction sector is experiencing low economic activity with weak growth prospects.

It is not clear when Norges Bank will lower its policy rate. This may affect the recovery of the economy. There are a number of factors that suggest cuts to interest rates may come later than previously assumed: inflation is still well above target; unemployment is low; house prices and rents are rising; wage settlements were higher than Norges Bank assumed; and, not least, the Norwegian krone exchange rate is weak. The economic situation as described above could lead to current policy rate levels being kept unchanged throughout 2024. Higher interest rates and high inflation have led to a decline in overall growth in credit for businesses and households and this is expected to be weak in 2024.

Sandefjord, 24.04.2024

The Board of Directors of SpareBank 1 Sørøst-Norge

Finn Haugan
Chair of the Board

John-Arne Haugerud
Deputy Chair

Lene Svenne

Heine Wang

Jan Erling Nilsen

Lene Marie Aas Thorstensen

Maria Tho

Hanne Myhre Gravdal
Employee representative

Frede Christensen
Employee representative

Per Halvorsen
CEO

Outlook for the Group

The last approved interest rate change in December 2023, which will be effective from March 2024, is helping to keep net interest income strong at the start of 2024. Pressure on deposit rates could result in slightly weaker net interest income than we saw in 2023. The main scenario is that money market rates are expected to stabilise at current levels in 2024, and in general, a higher nominal interest rate level and satisfactory net interest income will contribute positively to the return on equity going forward. Persistently high interest rate levels, along with high price inflation and wage growth, will reduce profitability in parts of the business sector. The Bank's loan portfolio has proved to be robust throughout the interest rate hikes, in both the retail market and the corporate market. The Bank is noticing increased activity in the retail customer market for loan preapproval letters. There was also some increased activity in the corporate market in the property segment. The Group takes a systematic approach to collaboration between banking, real estate and accounting units.

Sparebanken Sogn og Fjordane's acquisition of SamSpar means that the Group will be selling down its stake in the SamSpar companies. A preliminary estimate shows the Group's gain is estimated to be in the region of NOK 50-55 million for the parent bank. The transaction is expected to be completed in 2024.

The Board of Directors is of the opinion that the quality of the lending portfolio is good with low losses and a high proportion of lending to retail customers. The Group is financially very strong with a good margin in relation to capital requirements, a high liquidity buffer, low market risk, good profitability and cost efficiency. The region has a strong, diverse business sector and good population growth. The Group has a strong market position, local presence and competitive terms and conditions. The Board of Directors' assessment is that the Group enjoys a strong strategic position in a market with good growth opportunities. The Board of Directors' believes that 2024 will also be a good year for SpareBank 1 Sørøst-Norge.



Interim financial statements

The background features a light orange gradient. A large, solid blue shape with a rounded top-left corner occupies the bottom-left portion of the page. A vertical blue bar runs along the right edge. A white, semi-circular shape is positioned in the bottom-right area, overlapping the blue bar and the orange background.

Income Statement IFRS

Parent bank				Group			
2023	Q1 2023	Q1 2024	(amounts in NOK millions)	Note	Q1 2024	Q1 2023	2023
621	122	176	Interest income - assets measured at fair value		176	122	621
3 769	835	1 092	Interest income - assets measured at amortised cost		1 091	834	3 765
2 351	474	742	Interest expenses		741	474	2 347
2 039	482	526	Net interest income	12	526	483	2 039
584	148	137	Commission income		137	148	584
60	15	13	Commission expenses		13	15	60
15	3	3	Other operating income		72	78	325
538	136	127	Net commission and other income	13	196	211	848
38	3	57	Dividends		57	3	38
188	0	0	Net result from ownership interests		31	26	44
18	4	28	Net result from other financial investments		28	4	18
245	7	85	Net income from financial assets	14	116	33	100
2 822	626	738	Total net income		838	727	2 987
525	119	136	Personnel expenses		194	177	767
515	123	128	Other operating expenses		141	137	567
1 040	242	264	Total operating expenses		335	314	1 334
1 782	384	474	Profit before losses and tax		503	413	1 654
-57	-1	24	Losses on loans and guarantees	5, 6	24	-1	-57
1 839	384	450	Profit before tax		478	413	1 711
396	92	91	Tax expense		91	93	400
1 443	292	358	Profit before other comprehensive income		388	320	1 310
			Controlling interest's share of profit		388	320	1 309
			Non-controlling interest's share of profit		0	0	1
6.05	1.24	1.52	Earnings and diluted result per equity certificate before other comprehensive income		1.65	1.36	5.47

OCI

Parent bank				Group			
2023	Q1 2023	Q1 2024	(amounts in NOK millions)	Note	Q1 2024	Q1 2023	2023
1 443	292	358	Profit for the period		388	320	1 310
			Entries that can be reclassified through profit or loss				
-9	-1	1	Change in value of loans classified at fair value		1	-1	-9
			Share of OCI from associated companies and joint ventures		1	0	2
			Entries that cannot be reclassified through profit or loss				
0			Estimation difference, IAS 19 Pensions				0
-10	-1	1	Period's OCI		2	-1	-8
1 434	291	359	Total comprehensive income		390	319	1 303
			Controlling interest's share of total comprehensive income		389	319	1 302
			Non-controlling interest's share of total comprehensive income		0	0	1

Statement of financial position

Parent bank					Group		
31.12.2023	31.03.2023	31.03.2024	(Amounts in NOK millions)	Note	31.03.2024	31.03.2023	31.12.2023
105	1 096	96	Cash holdings and receivables from central banks		96	1 096	105
1 688	2 004	2 108	Loans to and receivables from credit institutions without agreed maturity		2 108	2 004	1 688
761	710	779	Loans to and receivables from credit institutions with agreed maturity		779	710	761
72 646	71 245	75 621	Net lending to customers	4, 6, 7, 8	75 606	71 222	72 625
9 783	9 381	9 080	Interest-bearing securities		9 080	9 381	9 783
2 448	2 647	2 492	Shares and other equity interests		2 492	2 647	2 448
160	153	160	Investments in group companies		0	0	0
1 341	1 191	1 341	Investments in joint ventures and associated companies		1 442	1 417	1 411
234	274	241	Tangible assets		281	317	275
357	357	357	Goodwill		465	458	465
59	38	59	Deferred tax assets		60	39	60
267	490	352	Other assets	16	469	606	382
89 850	89 585	92 686	Total assets		92 877	89 897	90 003
16	0	2 785	Deposits from and liabilities to credit institutions	18	2 785	0	16
55 243	55 322	55 197	Deposits from customers and liabilities to customers	17	55 150	55 263	55 184
19 766	18 990	19 437	Liabilities from the issuance of securities	18	19 437	18 990	19 766
431	189	217	Tax payable		218	187	435
726	2 195	932	Other liabilities and commitments	20	1 008	2 277	802
751	749	751	Subordinated loan capital	19	751	749	751
76 934	77 444	79 319	Total liabilities		79 349	77 465	76 954
2 100	2 101	2 098	Equity certificate capital		2 098	2 101	2 100
3 779	3 779	3 779	Share premium fund		3 779	3 779	3 779
1 681	1 049	1 681	Dividend equalisation fund		1 681	1 049	1 681
4 889	4 480	4 889	Sparebankens Fond		4 889	4 480	4 889
112	91	112	Fund for unrealised gains		112	91	112
350	350	450	Hybrid capital		450	350	350
	285	352	Other equity		508	570	127
7	7	7	Gift fund		7	7	7
			Non-controlling interest's share		5	5	6
12 916	12 142	13 367	Total equity		13 527	12 432	13 050
89 850	89 585	92 686	Liabilities and equity		92 877	89 897	90 003

Combined results from the interim financial statements

Group

(amounts in NOK millions)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Interest income	1 267	1 250	1 165	1 015	956	885	678	574
Interest expenses	741	707	642	524	474	410	264	197
Net interest income	526	542	523	491	483	475	414	377
Commission income	137	140	142	153	148	154	164	160
Commission expenses	13	19	14	13	15	12	10	9
Other operating income	72	69	77	101	78	74	75	100
Net commission and other income	196	191	205	241	211	216	230	251
Dividends	57	19	0	15	3	33	0	32
Net result from ownership interests	31	-3	10	11	26	48	17	16
Net result from other financial investments	28	-10	-1	25	4	48	-15	-28
Net income from financial assets	116	6	9	52	33	129	1	19
Total net income	838	740	737	784	727	820	645	648
Personnel expenses	194	230	183	175	177	245	149	152
Other operating expenses	141	156	138	136	137	124	150	147
Total operating expenses	335	386	321	312	314	369	299	299
Profit before losses and tax	503	353	416	472	413	452	346	349
Losses on loans and guarantees	24	-42	19	-34	-1	29	7	15
Profit before tax	478	395	397	506	413	422	339	334
Tax expense	91	94	94	119	93	80	81	63
Profit before other comprehensive income	388	301	303	387	320	343	258	271
Interest hybrid capital	8	7	7	6	6	6	5	4
Profit after tax, incl. interest hybrid capital	380	293	296	381	314	337	253	266

Group

Earnings per equity certificate (quarter in isolation, NOK)	1.65	1.27	1.28	1.65	1.36	1.46	1.10	1.15
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Change in equity

Group

(Amounts in NOK millions)	Equity certificate capital ¹⁾	Share premium fund	Risk equalisation fund	Spare-bankens-fond	Gift fund	Fund for unrealised gains	Hybrid capital	Other equity	Non-controlling interest's share	Total equity
Equity as at 31.12.2023	2 101	3 779	1 681	4 889	7	112	350	127	6	13 051
Interest costs on additional Tier 1 capital								-8		-8
Hybrid capital							100			100
Dividends/gifts from 2023, to be paid in 2024									-1	-1
Other changes in equity								-2		-2
Profit before other comprehensive income								388	0	388
Entries that can be reclassified through profit or loss:										
Change in value of loans classified at fair value								1		1
Share of OCI from associated companies and joint ventures								1		1
Equity as at 31.03.2024	2 101	3 779	1 681	4 889	7	112	450	508	5	13 531

¹⁾ NOK 3.4 million was deducted from equity certificate capital as at 31.03.2024 for the treasury holding

NOK 1.9 million was deducted from equity certificate capital as at 31.12.2023 for the treasury holding

Group

(Amounts in NOK millions)	Equity certificate capital ¹⁾	Share premium fund	Risk equalisation fund	Spare-bankens-fond	Gift fund	Fund for unrealised gains	Hybrid capital	Other equity	Non-controlling interest's share	Total equity
Equity as at 31.12.2022	2 101	3 779	1 413	4 716	7	91	350	310	7	12 774
Interest costs on additional Tier 1 capital								-6		-6
Dividends/gifts from 2022, paid in 2023			-364	-236					-2	-602
Other changes in equity ²⁾								-53		-53
Profit before other comprehensive income								320	0	320
Entries that can be reclassified through profit or loss:										
Change in value of loans classified at fair value								-1		-1
Share of OCI from associated companies and joint ventures								0		0
Equity as at 31.03.2023	2 101	3 779	1 049	4 480	7	91	350	570	5	12 432

¹⁾ NOK 0.6 million was deducted from equity certificate capital as at 31.03.2023 for the treasury holding

NOK 0.6 million was deducted from equity certificate capital as at 31.12.2022 for the treasury holding

²⁾ Of which the implementation effect of IFRS 17 and IFRS 9 on the opening balance as at 01.01.2023 in joint ventures amounted to NOK 61 million

Parent bank

(Amounts in NOK millions)	Equity certificate capital ¹⁾	Share premium fund	Risk equalisation fund	Spare-bankens-fond	Gift fund	Fund for unrealised gains	Hybrid capital	Other equity	Total equity
Equity as at 31.12.2023	2 101	3 779	1 681	4 889	7	112	350	0	12 918
Interest costs on additional Tier 1 capital								-8	-8
Hybrid capital							100		100
Profit before other comprehensive income								358	358
Entries that can be reclassified through profit or loss:									
Change in value of loans classified at fair value								1	1
Equity as at 31.03.2024	2 101	3 779	1 681	4 889	7	112	450	352	13 370

¹⁾ NOK 3.4 million was deducted from equity certificate capital as at 31.03.2024 for the treasury holding

²⁾ NOK 1.9 million was deducted from equity certificate capital as at 31.12.2023 for the treasury holding

Parent bank

(Amounts in NOK millions)	Equity certificate capital ¹⁾	Share premium fund	Risk equalisation fund	Spare-bankens-fond	Gift fund	Fund for unrealised gains	Hybrid capital	Other equity	Total equity
Equity as at 31.12.2022	2 101	3 779	1 413	4 716	7	91	350	0	12 457
Interest costs on additional Tier 1 capital								-6	-6
Hybrid capital			-364	-236					-600
Profit before other comprehensive income								292	292
Entries that can be reclassified through profit or loss:									
Change in value of loans classified at fair value								-1	-1
Equity as at 31.03.2023	2 101	3 779	1 049	4 480	7	91	350	285	12 142

¹⁾ NOK 0.6 million was deducted from equity certificate capital as at 31.03.2023 for the treasury holding

NOK 0.6 million was deducted from equity certificate capital as at 31.12.2022 for the treasury holding

Cash flow statement

Parent bank				Group		
31.12.2023	31.03.2023	31.03.2024	(amounts in NOK millions)	31.03.2024	31.03.2023	31.12.2023
			Cash flow from operating activities			
1 839	384	450	Period's profit before tax	478	413	1 711
0	0	0	Net profit from joint ventures	-31	-26	-44
-3	0	0	Loss/gain from fixed assets	0	0	-3
50	14	12	Depreciation and impairments	13	15	54
-57	-1	24	Impairment of loans	24	-1	-57
-307	-215	-310	Tax payable	-310	-219	-312
-64	1 297	-2 987	Change in lending and other assets	-2 993	1 308	-69
-40	38	-46	Change in deposits from customers	-34	46	-33
-88	-105	-18	Change in loans to and receivables from credit institutions	-18	-105	-88
-1 353	-951	703	Change in certificates and bonds	703	-951	-1 353
-24	-170	-87	Change in other receivables	-90	-171	-21
23	839	173	Change in other current liabilities	170	823	14
-24	1 131	-2 087	Net cash flow from operating activities	-2 088	1 132	-200
			Cash flow from investing activities			
-13	-6	-20	Investments in property, plant and equipment	-20	-7	-14
14	0	0	Sales of property, plant and equipment	1	0	14
-246	-21	-39	Investments in shares, equity certificates and units	-39	-21	-69
264	7	4	Sales of shares, equity certificates and units	4	7	264
18	-21	-55	Net cash flow from investing activities	-54	-21	195
			Cash flow from financing activities			
3 530	0	4 050	Increase in financial borrowing	4 050	0	3 530
-3 393	-617	-1 598	Repayment of financial borrowing	-1 598	-617	-3 393
200	0	100	Borrowing subordinated loans/additional Tier 1 capital	100	0	200
-200	0	0	Repayment, subordinated loans / additional Tier 1 capital	0	0	-200
6	0	0	Buy-back of own equity certificates for saving programme	0	0	6
-951	-1	0	Dividends/gifts paid	0	-1	-951
-808	-618	2 552	Net cash flow from financing activities	2 552	-618	-808
-814	493	409	Total change in cash and cash equivalents	409	493	-814
2 607	2 607	1 794	Cash and cash equivalents OB	1 794	2 607	2 607
1 794	3 100	2 203	Cash and cash equivalents at end of period	2 203	3 100	1 794
-814	493	409	Net change in cash and cash equivalents	409	493	-814
			Cash and cash equivalents, specified			
105	1 096	96	Cash holdings and receivables from central banks	96	1 096	105
1 688	2 004	2 108	Loans to and receivables from credit institutions without agreed maturity	2 108	2 004	1 688
1 794	3 100	2 203	Cash and cash equivalents	2 203	3 100	1 794

Additional specifications

Cash flow from interest received, interest payments and dividends received

Parent bank				Group		
31.12.2023	31.03.2023	31.03.2024	(amounts in NOK millions)	31.03.2024	31.03.2023	31.12.2023
3 825	850	1 111	Interest received on loans to customers	1 110	849	3 821
-1 331	-264	-431	Interest paid on deposits from customers	-431	-263	-1 327
123	23	33	Interest received on loans to and receivables from credit institutions	33	23	123
-1	0	-13	Interest paid on loans to and receivables from credit institutions	-13	0	-1
442	84	124	Interest received on certificates and bonds	124	84	442
-984	-201	-289	Interest paid on certificates and bonds	-289	-201	-984
227	3	57	Dividends from investments	57	3	38
2 302	495	591	Net cash flow from interest received, interest payments and dividends received	591	495	2 113



Notes to the financial statements

Note 1 – Accounting policies

The interim report for SpareBank 1 Sørøst-Norge covers the period 01.01-31.03.2024. The interim financial statements have been prepared in conformity with IAS 34 Interim Financial Reporting. The interim financial statements are unaudited.

The interim report does not include all the information required in full financial statements and should be read in conjunction with the financial statements for 2023.

In this interim report, SpareBank 1 Sørøst-Norge has applied the same accounting policies and calculation methods as those used in the Annual Report 2023.

For a detailed description of the accounting policies that have been applied, please see Note 2 in the Bank's official annual financial statements for 2023.

Note 2 – Critical accounting estimates

In preparing the consolidated accounts, the management makes estimates and discretionary assessments, as well as assumptions that affect the impact of applying the accounting policies. This will therefore affect the reported amounts for assets, liabilities, income and expenses.

In the financial statements for 2023, Note 3 'Critical estimates and assessments regarding the use of accounting policies', gives more details of significant estimates and assumptions.

Impairment of loans

Please see Note 2 "Accounting Policies" in the financial statements for 2023 for a detailed description of the loss model applied in accordance with IFRS 9. The model contains several critical estimates. The most important are related to the definition of substantially increased credit risk and key assumptions in the general loss model. The definition of increased credit risk remains unchanged since the last annual financial statements.

The Bank's loss model provides proposed key assumptions for calculating expected credit loss (ECL) using regression analysis and simulation. Future default levels (PDs) are predicted based on expected developments in money market rates and unemployment. The future loss level (LGD) is simulated based on security values and price development expectations for various security objects. Norges Bank's Monetary Policy Report has been chosen as the main source for the explanatory variables interest

rates, unemployment and property price developments. The management's estimates and discretionary assessments of expected developments in default and loss levels (PD and LGD) were largely based on macro forecasts from Monetary Policy Report (PPR) 1/24. The interest rate path has changed little compared with the previous report. It is being pulled down by a stronger Norwegian krone, low energy prices and weaker price factors from abroad. Seen in isolation, somewhat higher domestic demand than projected as well as higher petroleum investments are pulling in the direction of a higher interest rate path. As at 31.03.2024, the Bank assessed that the changes in the macro forecasts, compared with 31.12.2023, indicated, overall, unchanged levels of defaults and loss rates given default.

The selection of scenarios and the weighting of these are regularly reviewed by an internal working group consisting of people at manager level and adjusted if there are significant changes in the macro picture. At the end of the first quarter of 2024, the expected scenario was weighted 80%, the downside scenario 15% and the upside scenario 5% (80/15/5). The weighting is similar for both the corporate market portfolio and the retail market portfolio, and reflects the uncertainty associated with economic developments going forward.

Reference is also made to Note 6 "Impairment provisions for loans and guarantees" and the sensitivity analysis.

Note 3 – Capital adequacy

In capital adequacy calculations, SpareBank 1 Sørøst-Norge uses the standard method for calculating credit risk and the basic method for operational risk. The Bank reports its capital adequacy on a consolidated basis. The Bank proportionally consolidates its ownership interests in SpareBank 1 Boligkreditt AS, SpareBank 1 Næringskreditt AS, SpareBank 1 Kreditt ASA, SpareBank 1 Finans Midt-Norge and BN Bank ASA.

The total requirement for Common Equity Tier 1 capital for SpareBank 1 Sørøst-Norge was 15.4% exclusive of the management buffer at the end of the first quarter of 2024. The Group's target for the Common Equity Tier 1 capital

ratio is 17.0%.

At the end of the first quarter, the Common Equity Tier 1 capital ratio was 18.9% (19.1%) and the leverage ratio was 8.6% (8.3%). The regulatory requirement for the leverage ratio was 3.0%. Both targets were met by a good margin by the end of the first quarter of 2024.

In the first quarter of 2024, mortgages totalling NOK 2.85 billion were transferred back from SpareBank 1 Boligkreditt in connection with the merger with SpareBank 1 SR-Bank ASA. As a result, the basis for calculation increased by approximately NOK 1 billion.

Parent bank				Group		
31.12.2023	31.03.2023	31.03.2024	(amounts in NOK millions)	31.03.2024	31.03.2023	31.12.2023
12 566	11 792	12 917	Total capitalised equity (excluding hybrid capital)	13 077	12 082	12 700
-896	-637	-1 255	Capitalised equity not included in Tier 1 capital	-1 110	-473	-739
			Minority interests that cannot be included in Common Equity Tier 1 capital	-5	5	-6
-16	-16	-15	Value adjustments on shares and bonds measured at fair value (AVA)	-23	-23	-24
			Other intangible assets	-5	-9	-5
			Positive values of adjusted expected loss	-75	-72	-77
-357	-357	-357	Deduction for goodwill	-465	-458	-465
-176	-184	-176	Deduction for non-material interests in the financial sector	-176	-184	-176
-767	-899	-802	Deduction for material interests in the financial sector			
10 356	9 700	10 312	Total Common Equity Tier 1 capital	11 218	10 867	11 207
350	350	450	Hybrid capital	450	350	350
			Hybrid capital issued by companies included on the consolidated accounts that can be included	143	158	130
10 706	10 050	10 762	Total Tier 1 capital	11 811	11 375	11 687
			Supplementary capital in excess of Tier 1 capital			
745	745	745	Time-limited primary capital	745	745	745
			Primary capital issued by companies included on the consolidated accounts that can be included	245	215	216
11 451	10 795	11 507	Net primary capital	12 801	12 335	12 648

Parent bank				Group		
31.12.2023	31.03.2023	31.03.2024	(amounts in NOK millions)	31.03.2024	31.03.2023	31.12.2023
			Risk-weighted basis for calculation			
41 639	41 252	43 387	Assets not included in the trading portfolio	54 110	51 871	52 271
4 196	3 782	4 196	Operational risk	4 579	4 323	4 956
49	49	47	CVA surcharge (counterparty risk on derivatives)	608	726	688
45 884	45 082	47 630	Total basis for calculation	52 297	56 919	57 916
22.6%	21.5%	21.7%	Common Equity Tier 1 capital ratio	18.9%	19.1%	19.4%
23.3%	22.3%	22.6%	Tier 1 capital ratio	19.9%	20.0%	20.2%
25.0%	23.9%	24.2%	Capital adequacy	21.6%	21.7%	21.8%
11.5%	10.8%	11.5%	Leverage ratio	8.6%	8.3%	8.5%
			Buffer requirements			
1 147	1 127	1 191	Capital conservation buffer (2.5%)	1 482	1 423	1 448
1 147	1 127	1 191	Countercyclical buffer (2.5%/1.0%)	1 482	1 423	1 448
2 065	1 352	2 143	Systemic risk buffer 4.5% (3.0%)	2 668	1 708	2 606
4 359	3 607	4 525	Total buffer requirement for Common Equity Tier 1 capital	5 633	4 554	5 502
2 065	2 029	2 143	Minimum requirement for Common Equity Tier 1 capital (4.5%)	2 668	2 561	2 606
3 932	4 064	3 644	Available Common Equity Tier 1 capital in excess of minimum requirement	2 916	3 752	3 099

Parent bank				Group		
31.12.2023	31.03.2023	31.03.2024	Specification of risk-weighted credit risk (amounts in NOK millions)	31.03.2024	31.03.2023	31.12.2023
60	59	60	Governments and central banks	61	59	70
492	380	343	Local and regional authorities	493	470	637
10	10		Publicly owned companies	2	11	12
214	222	217	Institutions	728	748	728
9 325	9 656	8 756	Companies	10 513	11 237	11 038
5 924	6 168	6 625	Mass market	15 224	15 055	14 826
18 479	17 880	19 820	Collateral security in real estate	20 168	18 464	18 926
708	641	786	Exposures past due	848	697	762
2 105	1 895	2 326	High-risk exposures	2 326	1 895	2 105
499	486	473	Covered bonds	786	764	801
338	401	422	Receivables from institutions and companies with short-term ratings	422	401	338
46	73	52	Shares in securities funds	53	74	46
2 989	2 760	2 992	Equity items	1 906	1 328	1 475
450	621	514	Other exposures	579	668	507
41 639	41 252	43 387	Total credit risk	54 110	51 871	52 271

Note 4 – Segment Information

The segment information is related to the way in which the Group is managed and followed up internally by the business through performance and capital reporting, proxies and procedures.

The reporting of segments is divided into the following

areas: Retail market (RM) and corporate market (CM) customers, which include the parent bank and subsidiaries related to real estate and accounting services. 'Not allocated' mainly includes group eliminations and subsidiaries that manage properties.

Group 31.03.2024

(amounts in NOK millions)	RM	CM	Not allocated	Total
Profit				
Net interest income	305	220	0	526
Net commission and other income	229	87	-3	312
Operating expenses	235	103	-3	335
Profit before losses	299	204	0	503
Losses on loans and guarantees	7	17		24
Profit before tax	292	187	0	479

(amounts in NOK millions)	RM	CM	Not allocated	Total
Statement of financial position				
Net lending to customers	55 468	20 154	-16	75 606
Other assets			17 271	17 271
Total assets per segment	55 468	20 154	17 256	92 877
Deposits from and liabilities to customers	38 020	17 177	-47	55 150
Other equity and liabilities			37 727	37 727
Total equity and debt per segment	38 020	17 177	37 680	92 877

Group 31.03.2023

(amounts in NOK millions)	RM	CM	Not allocated	Total
Profit				
Net interest income	279	204	0	483
Net commission and other income	172	75	-3	244
Operating expenses	220	97	-3	314
Profit before losses	231	182	0	413
Losses on loans and guarantees	3	-3		-1
Profit before tax	228	185	0	413

Group 31.03.2023

(amounts in NOK millions)	RM	CM	Not allocated	Total
Statement of financial position				
Net lending to customers	51 043	20 202	-24	71 222
Other assets			18 675	18 675
Total assets per segment	51 043	20 202	18 651	89 897
Deposits from and liabilities to customers	36 732	18 590	-59	55 263
Other equity and liabilities			34 634	34 634
Total equity and debt per segment	36 732	18 590	34 575	89 897

Group 31.12.2023

(Amounts in NOK millions)	RM	CM	Not allocated	Total
Profit				
Net interest income	1 163	876	-1	2 039
Net commission and other income	688	273	-12	949
Operating expenses	940	405	-12	1 333
Profit before losses	911	744	-1	1 654
Losses on loans and guarantees	-22	-35		-57
Profit before tax	932	780	-1	1 711

(Amounts in NOK millions)	RM	CM	Not allocated	Total
Statement of financial position				
Net lending to customers	52 600	20 046	-21	72 625
Other assets			17 378	17 378
Total assets per segment	52 600	20 046	17 357	90 003
Deposits from and liabilities to customers	37 695	17 548	-59	55 184
Other equity and liabilities			34 819	34 819
Total equity and debt per segment	37 695	17 548	34 760	90 003

Note 5 – Impairment of loans

Only figures for the Group are shown as the parent bank's figures are identical.

Group

(amounts in NOK millions)	31.03.2024	31.03.2023	31.12.2023
Changes in IFRS 9 provisions	20	-1	-50
Effect of changed scenario weights	0	0	-8
Confirmed losses (net)	4	2	6
Receipts on previously recognised impairments	-1	-2	-4
Other corrections/amortisation of impairments	1	0	0
Losses on loans and guarantees in the period	24	-1	-57

Note 6 – Impairment provisions for loans and guarantees

Only figures for the Group are shown as the parent bank's figures are identical.

(Amounts in NOK millions)

	Group			
Impairment provisions for loans and guarantees 31.03.2024	Stage 1	Stage 2	Stage 3	Total
Opening balance	54	86	132	272
Impairment provisions transferred to Stage 1	5	-5	0	0
Impairment provisions transferred to Stage 2	-2	3	-1	0
Impairment provisions transferred to Stage 3	0	-3	3	0
New financial assets issued or purchased	2	1	1	4
Increase in existing loans	14	16	29	60
Reduction in existing loans	-10	-12	-14	-36
Financial assets that have been deducted	-1	-2	-2	-5
Changes due to recognised impairments (recognised losses)	0	0	-12	-12
Closing balance	63	85	136	283
- reversal of impairment provisions related to fair value through OCI	-18			-18
Capitalised impairment provisions at the end of the period	45	85	136	266
Of which, impairment provisions for capitalised loans	35	76	132	243
Of which, impairment provisions for unused credits and guarantees	10	8	4	23
Of which, impairment provisions, corporate market	35	61	88	184
Of which, impairment provisions, retail market	10	24	48	82

(amounts in NOK millions)

Group

Impairment provisions for loans and guarantees 31.03.2023	Stage 1	Stage 2	Stage 3	Total
Opening balance	109	85	160	353
Recognised through profit or loss in connection with the recognition of loans in Stage 1 upon the merger				
Recognised gross on the statement of financial position in connection with the recognition of loans in Stage 2 upon the merger	9	-9	0	0
Impairment provisions transferred to Stage 1	-3	3	0	0
Impairment provisions transferred to Stage 2	0	-2	2	0
Impairment provisions transferred to Stage 3	11	4	3	18
New financial assets issued or purchased	8	23	23	54
Increase in existing loans	-16	-11	-9	-36
Reduction in existing loans	-13	-10	-5	-29
Financial assets that have been deducted	0	0	-29	-29
Changes due to recognised impairments (recognised losses)	0	0	0	0
Closing balance	105	82	143	331
- reversal of impairment provisions related to fair value through OCI	-27			-27
Capitalised impairment provisions at the end of the period	79	82	143	304
Of which, impairment provisions for capitalised loans	69	80	139	288
Of which, impairment provisions for unused credits and guarantees	10	3	4	17
Of which, impairment provisions, corporate market	74	40	93	207
Of which, impairment provisions, retail market	5	42	50	97

(amounts in NOK millions)

Group

Impairment provisions for loans and guarantees 31.12.2023	Stage 1	Stage 2	Stage 3	Total
Opening balance	109	85	160	353
Recognised through profit or loss in connection with the recognition of loans in Stage 1 upon the merger				
Recognised gross on the statement of financial position in connection with the recognition of loans in Stage 2 upon the merger	15	-14	-1	0
Impairment provisions transferred to Stage 1	-13	14	-1	0
Impairment provisions transferred to Stage 2	-1	-5	6	0
Impairment provisions transferred to Stage 3	7	14	1	23
New financial assets issued or purchased	17	46	64	127
Increase in existing loans	-63	-32	-30	-125
Reduction in existing loans	-18	-21	-23	-63
Financial assets that have been deducted	0	0	-43	-43
Changes due to recognised impairments (recognised losses)	0	0	0	0
Closing balance	54	86	132	272
- reversal of impairment provisions related to fair value through OCI	-16			-16
Capitalised impairment provisions at the end of the period	38	86	132	256
Of which, impairment provisions for capitalised loans	31	78	128	237
Of which, impairment provisions for unused credits and guarantees	7	8	4	19
Of which, impairment provisions, corporate market	32	61	91	183
Of which, impairment provisions, retail market	6	25	41	73

Sensitivity analysis – loss model

The model calculates impairments on exposures in three different scenarios where the probability of the individual scenario occurring is weighted. The basic scenario for the IFRS 9 calculations is mainly based on the benchmark trajectory of the Monetary Policy Report from Norges Bank and contains expectations regarding macroeconomic factors such as unemployment, interest rates and growth in property prices. Scenarios and scenario weights are assessed continuously based on the available information. At the end of the first quarter of 2024, the expected

scenario was weighted 80%, the downside scenario 15% and the upside scenario 5% (80/15/5). The weighting is similar for both the corporate market portfolio and the retail market portfolio, and reflects the uncertainty associated with economic developments going forward.

The table below shows the ECL calculated using the scenario weights and the ECL calculated for the three scenarios, in isolation. The calculations are broken down into the main segments retail market and corporate market.

Scenario weights used as at 31.03.2024

(amounts in NOK millions)	Weight RM/CM	CM	RM	Total
Scenario 1 (normal case)	80%/80%	75	142	217
Scenario 2 (worst case)	15%/15%	25	52	77
Scenario 3 (best case)	5%/5%	4	6	10
Total estimated IFRS 9 provisions		104	201	305
Reversal of impairment provisions related to fair value through OCI and other adjustments		-22	-17	-39
Capitalised impairment provisions for the parent bank as at 31.03.2024		82	184	266

IFRS 9 impairment provisions in the event of a change in weight:

(Amounts in NOK millions)	Weight RM/CM	CM	RM	Total
Scenario 1 (normal case)	100%/100%	96	183	279
Scenario 2 (worst case)	100%/100%	169	346	515
Scenario 3 (best case)	100%/100%	77	128	205

	31.12.2023	31.03.2023	31.03.2024
Scenario weights used	Weight RM/CM	Weight RM/CM	Weight RM/CM
Scenario 1 (normal case)	80%/80%	80%/75%	80%/80%
Scenario 2 (worst case)	15%/15%	15%/20%	15%/15%
Scenario 3 (best case)	5%/5%	5%/5%	5%/5%

Note 7 – Loans to customers by Stages 1, 2 and 3

Only figures for the Group are shown as the parent bank's figures are identical.

(Amounts in NOK millions)	Group 31.03.2024			
	Stage 1	Stage 2	Stage 3	Total
Lending to customers				
Opening balance	61 820	6 841	684	69 345
Loans transferred to Stage 1	616	-614	-2	0
Loans transferred to Stage 2	-637	653	-16	0
Loans transferred to Stage 3	-39	-95	134	0
New financial assets issued or purchased	4 871	118	11	5 000
Increase in existing loans	5 520	379	13	5 912
Reduction in existing loans	-5 088	-578	-100	-5 766
Financial assets that have been deducted	-1 855	-194	-35	-2 084
Changes due to recognised impairments (recognised losses)	0	0	-6	-6
Changes due to reversals of previous impairments (recognised)	0	0	0	0
Closing balance 1)	65 208	6 511	683	72 401
Impairment provisions as % of gross lending	0.10%	1.30%	19.93%	0.37%
Hence the loan to Corporate Market	17 242	3 875	424	21 542
Hence the loan to Retail Market	47 965	2 636	258	50 860

(amounts in NOK millions)	Group 31.03.2023			
	Stage 1	Stage 2	Stage 3	Total
Lending to customers				
Opening balance	64 530	4 052	659	69 241
Loans transferred to Stage 1	505	-495	-10	0
Loans transferred to Stage 2	-1 048	1 049	-1	0
Loans transferred to Stage 3	0	-64	64	0
New financial assets issued or purchased	2 979	62	1	3 043
Increase in existing loans	4 676	202	15	4 893
Reduction in existing loans	-4 449	-355	-23	-4 827
Financial assets that have been deducted	-4 011	-295	-34	-4 340
Changes due to recognised impairments (recognised losses)	0	0	-29	-29
Changes due to reversals of previous impairments (recognised)	0	0	3	3
Closing balance 1)	63 180	4 157	647	67 983
Impairment provisions as % of gross lending	0.12%	1.98%	22.20%	0.45%
Hence the loan to Corporate Market	18 649	1 312	446	20 407
Hence the loan to Retail Market	44 531	2 845	201	47 577

(amounts in NOK millions)	Group 31.12.2023			
Lending to customers	Stage 1	Stage 2	Stage 3	Total
Opening balance	64 530	4 052	659	69 241
Loans transferred to Stage 1	925	-903	-22	0
Loans transferred to Stage 2	-3 306	3 318	-12	0
Loans transferred to Stage 3	-94	-150	244	0
New financial assets issued or purchased	12 109	1 245	17	13 371
Increase in existing loans	13 867	1 159	115	15 141
Reduction in existing loans	-13 405	-839	-132	-14 376
Financial assets that have been deducted	-12 803	-1 039	-137	-13 979
Changes due to recognised impairments (recognised losses)	-5	0	-49	-54
Changes due to reversals of previous impairments (recognised)	1	0	2	3
Closing balance 1)	61 820	6 841	684	69 345
Impairment provisions as % of gross lending	0.09%	1.25%	19.30%	0.37%
Hence the loan to Corporate Market	17 005	3 977	430	21 412
Hence the loan to Retail Market	44 815	2 864	254	47 933

1) Does not include loans measured at fair value through profit or loss



Note 8 – Loan to customers by sector and industry

Parent bank				Group		
31.12.2023	31.03.2023	31.03.2024	(amounts in NOK millions)	31.03.2024	31.03.2023	31.12.2023
51 431	50 239	54 173	Employees, etc.	54 173	50 239	51 431
12 666	12 795	12 863	Property management/business services, etc.	12 848	12 772	12 645
3 858	3 708	3 903	Property management housing cooperatives	3 903	3 708	3 858
928	915	947	Wholesale and retail trade/hotels and restaurants	947	915	928
1 042	1 009	1 013	Agriculture/forestry	1 013	1 009	1 042
909	853	870	Building and construction	870	853	909
1 348	1 239	1 377	Transport and service Industries	1 377	1 239	1 348
514	578	524	Production (manufacturing)	524	578	514
187	197	194	Other	194	197	187
72 883	71 533	75 864	Gross lending	75 849	71 510	72 862
20 140	19 885	20 282	- Of which, measured at amortised cost	20 267	19 861	20 119
49 226	48 122	52 134	- Of which, measured at fair value through OCI	52 134	48 122	49 226
3 517	3 526	3 448	- Of which, measured at fair value through profit or loss	3 448	3 526	3 517
-237	-288	-243	- Impairment provisions for loans	-243	-288	-237
72 646	71 245	75 621	Net lending	75 606	71 222	72 625
72 883	71 533	75 864	Gross lending	75 849	71 510	72 862
30 892	31 434	28 201	Gross lending transferred to SB1 Boligkreditt	28 201	31 434	30 892
1 449	1 482	1 443	Gross lending transferred to SB1 Næringskreditt	1 443	1 482	1 449
105 225	104 449	105 508	Gross lending, incl. SpareBank 1 Boligkreditt/Næringskreditt	105 493	104 426	105 204

Note 9 – Transfer of financial assets

SpareBank 1 Sørøst-Norge and other owners have agreed to establish a liquidity facility for SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS. This means that the banks commit to buy bonds issued by the company up to a total value of 12 months' term to maturity. Each owner is principally liable for its share of the requirement, and secondarily for twice the primary liability under the same agreement.

The bonds can be deposited with Norges Bank, so carry no significant added risk for SpareBank 1 Sørøst-

Norge. The Bank has signed an agreement for the legal sale of loans with high security and collateral in real estate to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS. For more information on the accounting treatment of the agreements, see Note 2 and Note 9 to the annual financial statements for 2023.

SNPAs have been terminated as of 26.03.2024 and an agreement on the establishment of a liquidity facility for SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS no longer applies.

Note 10 – Financial derivatives

General description

The table below shows the fair value of the Bank's financial derivatives presented as assets and liabilities, as well as the nominal values of the contract volumes. Positive market values of the contracts are presented as assets, while negative market values are presented as liabilities. The contract volume, shows the size of the derivatives' underlying assets and liabilities, and is the basis for the measurement of changes in the fair value of the Bank's derivatives. Derivative transactions are related to the ordinary banking operations and implemented to reduce risk related to the Bank's liquidity portfolio and the Bank's borrowing in the financial markets and to identify and reduce risk related to customer-related activities. Only hedging related to the Bank's funding activities is defined as 'fair value hedging' in accordance with IFRS 9.

Counterparty risk linked to derivatives is mitigated

Group

Fair value hedging (Amounts in NOK millions)	31.03.2024	31.03.2023	31.12.2023
Net recognition of hedging instruments	84	-19	-213
Net recognition of hedged items	-83	19	208
Total fair value hedging	1	0	-5
Accumulated hedging adjustments for hedged items	-304	-245	-220

through ISDA agreements and a CSA supplement. The CSA supplement regulates counterparty risk through the payment of margins based on exposure limits.

Fair value hedging

The Bank has hedged fixed rate borrowing with a capitalised value of NOK 6 700 million. The borrowing is hedged 1:1 through external contracts where the term to maturity and fixed rate of the hedged item and hedging transaction match. The Bank prepares quarterly documentation of the effectiveness of the hedging instrument in relation to the hedged item. A total of 11 transactions involving borrowing were hedged as at 31.03.2024.

Only figures for the Group are shown as the parent bank's figures are identical.

Group

(amounts in NOK millions)	31.03.2024			31.03.2023			31.12.2023		
	Contract sum	Fair value Assets	Liabilities	Contract sum	Fair value Assets	Liabilities	Contract sum	Fair value Assets	Liabilities
Interest rate instruments									
Interest rate swap agreements – hedging of customer-related assets at fair value through profit or loss	3 495	136	3	3 230	115	3	3 495	116	10
Interest rate swap agreements – hedging of fixed income securities	249	5	0	554	14	17	249	3	
Interest rate swap agreements – hedging of fair value of fixed rate borrowing	6 700	44	241	6 800	71	220	7 200	61	224
Total interest rate instruments	10 444	186	245	10 584	200	240	10 944	180	234

Note 11 – Liquidity risk

Liquidity risk is the risk that the Bank may be unable to meet its payment obligations, and/or the risk of not being able to finance the desired growth in assets. SpareBank 1 Sørøst-Norge draws up an annual liquidity strategy which addresses the Bank's liquidity risk, among other things.

The Bank's liquidity risk is covered by the Bank's liquidity reserve/buffer. The main objective of SpareBank 1 Sørøst-Norge is to maintain the viability of the Bank in a normal situation, without external funding, for 12 months. The Bank should also be able to survive a minimum of 6 months in a 'highly stressed' situation where there is no access to

funding from the capital markets. The Bank exercises daily governance according to the above goals. A contingency plan for dealing with liquidity crises has also been established.

The average time to maturity for the Bank's bond debt was 3.0 years (3.0 years) at the end of the year.

The liquidity reserve (LCR) was 263% (210%) at the end of the quarter and the average LCR is 221% (239%) for the year to date in 2024.

Note 12 – Net interest income

Parent bank				Group		
31.12.2023	31.03.2023	31.03.2024	(amounts in NOK millions)	31.03.2024	31.03.2023	31.12.2023
			Interest income			
123	23	33	Interest rates on loans to credit institutions at amortised cost	33	23	123
1 301	293	349	Interest on loans to customers at amortised cost	349	293	1 297
2 346	518	710	Interest on loans to customers at fair value through OCI and expenses	710	518	2 346
3 769	835	1 092	Total interest income - assets measured at amortised cost	1 091	834	3 765
179	38	51	Interest on loans to customers at fixed rates	51	38	179
442	84	124	Interest on securities at fair value	124	84	442
621	122	176	Total interest income - assets measured at fair value	176	122	621
4 390	957	1 268	Total interest income	1 267	956	4 386
			Interest expenses			
1	0	13	Interest and similar expenses for liabilities to credit institutions	13	0	1
1 331	264	431	Interest and similar expenses for deposits from and liabilities to customers	431	263	1 327
943	193	277	Interest and similar expenses for issued securities	277	193	943
41	9	12	Interest and similar expenses for subordinated loan capital	12	9	41
36	9	8	Other interest expenses and similar expenses	8	9	36
2 351	474	742	Total interest expenses	741	474	2 347
2 039	482	526	Net interest income	526	483	2 039

Note 13 – Net commission and other income

Parent bank			(amounts in NOK millions)	Group		
31.12.2023	31.03.2023	31.03.2024		31.03.2024	31.03.2023	31.12.2023
			Commission income			
11	3	3	Guarantee commission	3	3	11
1	0	0	Interbank commission	0	0	1
19	4	5	Credit brokerage	5	4	19
30	8	7	Securities trading and management	7	8	30
235	54	55	Payment services	55	54	235
144	36	33	Insurance services	33	36	144
20	2	2	Other commission income	2	2	20
125	40	32	Commission from SpareBank 1 Boligkreditt and Næringskreditt	32	40	125
584	148	137	Total commission income	137	148	584
			Commission expenses			
2	0	0	Interbank fees	0	0	2
36	10	11	Payment services	11	10	36
22	4	2	Other commission expenses	2	4	22
60	15	13	Total commission expenses	13	15	60
523	133	124	Net commission income	124	133	523
			Other operating income			
5	1	1	Operating income from real estate	1	1	5
3	0	0	Profit from the sale of fixed assets	0	0	3
7	2	2	Other operating income	3	2	11
0	0	0	Operating income from estate agency business	45	48	220
0	0	0	Operating income from accounting firms	23	26	87
15	3	3	Total other operating income	72	78	325
538	136	127	Net commission and other income:	196	211	848

Note 14 – Net result from other financial investments

Parent bank			(amounts in NOK millions)	Group		
31.12.2023	31.03.2023	31.03.2024		31.03.2024	31.03.2023	31.12.2023
29	16	9	Income from shares	9	16	29
-13	-17	-3	Income from bonds and certificates	-3	-17	-13
-14	0	18	Income from financial derivatives	18	0	-14
15	4	4	Net income from foreign exchange trading	4	4	15
18	4	28	Net result from other financial investments	28	4	18

Note 15 – Measuring fair value of financial instruments

Financial instruments at fair value are classified at different levels.

Level 1: Valuation based on quoted prices on an active market. The fair value of financial instruments traded on active markets is based on their market price on the statement of financial position date. A market is considered to be active if the market prices are easily and regularly available from a stock exchange, dealer, broker, economic grouping, pricing service or regulatory authority, and these prices represent actual and regularly occurring market transactions at arm's length. The category includes listed shares and units in mutual funds, treasury bills and government bonds.

Level 2: Valuation based on observable market data. Level 2 consists of instruments which are valued using information other than quoted prices, but where prices are directly or indirectly observable for the assets or liabilities, and also include listed prices in a non-active market.

- These valuation methods maximise the use of observable data where it is available and rely as little as possible on the Bank's own estimates.
- The fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on the observable yield curve.
- The fair value of bonds and certificates (assets and liabilities) is calculated as the present value of the estimated cash flow based on the observable yield curve, including an indicated credit spread on the issuer from a reputable brokerage firm or Reuters/ Bloomberg pricing services.
- This category includes bonds, certificates, equity instruments, own securities issued measured at fair value, and derivatives.

Level 3: Valuation based on other than observable data. If no valuation is available in relation to level 1 and 2, valuation methods based on non-observable information are used.

- The fair value of fixed interest rate loans to customers is calculated as the fair value of the agreed cash flows discounted with an observable yield curve with the addition of a calculated margin premium.
- Equity investments are valued at fair value under the following conditions:
 1. Price at the time of the last capital increase or last sale between independent parties, adjusted for changes in market conditions since the capital increase/ sale.
 2. Fair value based on expected future cash flows for the investment.
- On the remaining financial instruments, fair value is determined on the basis of value estimates obtained from external parties.
- This category includes other equity instruments, loans at fair value through OCI and the Bank's own fixed rate loans.
- The fair value of mortgages is understood to be: Loans in loss category 1 - the loan's nominal value (not equal to amortised cost). Loan in loss category 2, and 3 - the loan's nominal value decreases by the expected losses (= amortised cost). Loans in loss category 3K - the loan's nominal value decreases by individual impairment provisions (= amortised cost)

Only figures for the Group are shown as the parent bank's figures are identical.

The Group's assets and liabilities measured at fair value as at 31.03.2024

Assets (Amounts in NOK millions)	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
- Fixed-rate loans			3 448	3 448
- Mortgages at fair value through OCI			52 134	52 134
- Interest-bearing securities	48	9 032		9 080
- Shares, units and equity certificates	86		2 406	2 492
- Financial derivatives		186		186
Total assets	134	9 218	57 988	67 340
Liabilities				
Financial liabilities at fair value				
- Securities issued		6 550		6 550
- Financial derivatives		245		245
Total liabilities		6 795		6 795

The Group's assets and liabilities measured at fair value as at 31.03.2023

Assets (Amounts in NOK millions)	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
- Fixed-rate loans			3 526	3 526
- Mortgages at fair value through OCI			48 122	48 122
- Interest-bearing securities	251	9 130		9 381
- Shares, units and equity certificates	225		2 422	2 647
- Financial derivatives		200		200
Total assets	476	9 330	54 071	63 877
Liabilities				
Financial liabilities at fair value				
- Securities issued		6 457		6 457
- Financial derivatives		240		240
Total liabilities		6 696		6 696

The Group's assets and liabilities measured at fair value as at 31.12.2023

Assets (Amounts in NOK millions)	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
- Fixed-rate loans			3 517	3 517
- Mortgages at fair value through OCI			49 226	49 226
- Interest-bearing securities	49	9 734		9 783
- Shares, units and equity certificates	78		2 370	2 448
- Financial derivatives		180		180
Total assets	126	9 914	55 113	65 153
Liabilities				
Financial liabilities at fair value				
- Securities issued		6 515		6 515
- Financial derivatives		234		234
Total liabilities		6 749		6 749

Changes in instruments classified as Level 3 as at 31.03.2024

(amounts in NOK millions)	Fixed rate loans	Shares at fair value through profit or loss	Lending at fair value through OCI
Opening balance 01.01.2024	3 517	2 370	49 226
Additions	59	35	8 545
Disposals	-128	-2	-5 637
Net gain/loss on financial instruments		3	
Closing balance 31.12.2024	3 448	2 406	52 134

Changes in instruments classified as Level 3 as at 31.03.2023

(amounts in NOK millions)	Fixed rate loans	Shares at fair value through profit or loss	Lending at fair value through OCI
Opening balance 01.01.2023	3 611	2 397	49 122
Additions	89	20	6 873
Disposals	-173	-8	-7 873
Net gain/loss on financial instruments		12	
Closing balance 31.03.2023	3 526	2 422	48 123

Changes in instruments classified as Level 3 as at 31.12.2023

(Amounts in NOK millions)	Fixed rate loans	Shares at fair value through profit or loss	Lending at fair value through OCI
Opening balance 01.01.2023	3 611	2 397	49 122
Additions	406	88	22 091
Disposals	-500	-132	-21 987
Net gain/loss on financial instruments		17	
Closing balance 31.12.2023	3 517	2 370	49 226

Note 16 – Other assets

Parent bank				Group		
31.12.2023	31.03.2023	31.03.2024	(amounts in NOK millions)	31.03.2024	31.03.2023	31.12.2023
49	205	74	Prepaid, unaccrued costs, and accrued income not yet received	177	308	163
38	85	92	Other assets	106	97	39
180	200	186	Derivatives and other financial instruments at fair value	186	200	180
267	490	352	Total other assets	469	606	382

Note 17 – Deposits from customers by sector and industry

Parent bank				Group		
31.12.2023	31.03.2023	31.03.2024	(amounts in NOK millions)	31.03.2024	31.03.2023	31.12.2023
37 113	36 235	37 508	Employees, etc.	37 508	36 235	37 113
5 858	5 742	5 830	Property management/business services, etc.	5 783	5 683	5 799
260	307	294	Property management housing cooperatives	294	307	260
1 605	1 685	1 481	Wholesale and retail trade/hotels and restaurants	1 481	1 685	1 605
585	876	618	Agriculture/forestry	618	876	585
1 628	1 553	1 452	Building and construction	1 452	1 553	1 628
4 656	5 267	4 582	Transport and service Industries	4 582	5 267	4 656
889	1 008	839	Production (manufacturing)	839	1 008	889
2 346	2 199	2 205	Public administration	2 205	2 199	2 346
304	449	388	Other	388	449	304
55 243	55 322	55 197	Total deposits	55 150	55 263	55 184

Note 18 – Liabilities from the issuance of securities, subordinated debt and debt to credit institutions

SpareBank 1 Sørøst-Norge issues and redeems securities issued as part of its liquidity management. The refinancing requirement has also been partly funded by the transfer of the loan portfolio to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS.. Figures have not been prepared for the parent bank, since they are almost identical to the Group's figures.

All bond loans are issued in Norwegian kroner (NOK) and are stated at their nominal value.

Group (amounts in NOK millions)	31.03.2024	31.03.2023	31.12.2023
Loans from credit institutions	2 750	0	0
Bond debt	14 767	15 561	15 065
Subordinated debt, SNP bonds	4 750	3 500	4 750
Value adjustments and accrued interest	-80	-71	-49
Total interest-bearing securities	22 187	18 990	19 766

Change in financial borrowing

Group (amounts in NOK millions)	31.03.2024	Issued	Due/redeemed	Change in no.	31.12.2023
Loans from credit institutions	2 750	2 750	0		0
Bond debt	14 767	1 300	-1 598		15 065
Subordinated debt, SNP bonds	4 750	0	0		4 750
Value adjustments and accrued interest	-80			-31	-49
Total interest-bearing securities	22 187	4 050	-1 598	-31	19 766

Group (amounts in NOK millions)	31.03.2023	Issued	Due/redeemed	Change in no.	31.12.2022
Bond debt	15 561	0	-617		16 178
Subordinated debt, SNP bonds	3 500	0	0		3 500
Value adjustments and accrued interest	-71	0	0	37	-108
Total interest-bearing securities	18 990	0	-617	37	19 570

Group (Amounts in NOK millions)	31.12.2023	Issued	Due/redeemed	Change in no.	31.12.2022
Bond debt	15 065	2 280	-3 393		16 178
Subordinated debt, SNP bonds	4 750	1 250	0		3 500
Value adjustments and accrued interest	-49		0	59	-108
Total interest-bearing securities	19 766	3 530	-3 393	59	19 570

Note 19 – Subordinated loan capital

Only figures for the Group are shown as the parent bank's figures are identical.

Subordinated loans are raised in Norwegian krone (NOK) and stated at their nominal value.

Time-limited subordinated bonds loans

Group (amounts in NOK millions)	31.03.2024	31.03.2023	31.12.2023
Subordinated loan capital	745	745	745
Value adjustments and accrued interest	6	4	6
Total subordinated loan capital	751	749	751

Change in subordinated loan capital

Group (amounts in NOK millions)	31.03.2024	Issued	Due/redeemed	31.12.2023
Subordinated loan capital	745	0	0	745
Value adjustments and accrued interest	6		0	6
Total subordinated loan capital	751	0	0	751

Group (amounts in NOK millions)	31.03.2023	Issued	Due/redeemed	31.12.2022
Subordinated loan capital	745	0	0	745
Value adjustments and accrued interest	4		0	4
Total subordinated loan capital	749	0	0	749

Group (Amounts in NOK millions)	31.12.2023	Issued	Due/redeemed	31.12.2022
Subordinated loan capital	745	200	-200	745
Value adjustments and accrued interest	6		2	4
Total subordinated loan capital	751	200	-198	749

Note 20 – Other liabilities

Parent bank			(amounts in NOK millions)	Group		
31.12.2023	31.03.2023	31.03.2024		31.03.2024	31.03.2023	31.12.2022
124	116	88	Accrued expenses and received unearned income	116	143	137
19	17	23	Provisions for guarantees	23	17	19
58	78	65	IFRS 16 liabilities related to leases	66	78	58
108	102	112	Pension liabilities	112	103	109
183	1 642	400	Other liabilities	446	1 697	244
234	240	245	Derivatives and other financial instruments at fair value	245	240	234
726	2 195	932	Total other liabilities	1 008	2 277	802

Note 21 – Equity certificate holders and distribution of equity certificates

Equity certificate holders

The Bank's equity certificate capital (capital paid in via equity certificates) amounts to NOK 2 101 478 415 divided into 140 098 561 equity certificates, each with a nominal value of NOK 15.00. SpareBank 1 Sørøst-Norge owned 227 430 equity certificates at the end of the quarter. The ownership ratio was 60.7%.

Equity certificate holders are represented by 11 out of 27 members (voting) on the Supervisory Board.

The 20 largest equity certificate holders as at 31.03.2024 are:	Quantity	% of total number of equity certificates
SPAREBANK 1 STIFTELSEN BV	24 141 356	17.2%
SPAREBANKSTIFTELSEN TELEMAR	18 910 174	13.5%
SPAREBANKSTIFTELSEN SPAREBANK 1 MODUM	18 444 646	13.2%
SPAREBANKSTIFTELSEN NØTTERØY-TØNSBERG	10 925 503	7.8%
SPAREBANKSTIFTELSEN NOME	10 273 723	7.3%
SPESIALFONDET BOREA UTBYTTE	3 812 536	2.7%
VPF EIKA EGENKAPITALBEVIS	3 194 853	2.3%
PARETO INVEST NORGE AS	2 871 322	2.0%
BRANNKASSESTIFTELSEN MIDT-BUSKERUD	2 406 265	1.7%
KOMMUNAL LANDSPENSJONSKASSE GJENSIDIGE	1 608 606	1.1%
WENAASGRUPPEN AS	1 087 931	0.8%
CATILINA INVEST AS	1 062 032	0.8%
MELESIO INVEST AS	952 259	0.7%
LANDKREDITT UTBYTTE	903 455	0.6%
SANDEN EQUITY AS	707 494	0.5%
FORETAKSKONSULENTER AS	621 230	0.4%
SKOGEN INVESTERING AS	605 000	0.4%
LAMHOLMEN INVEST AS	544 466	0.4%
HAUSTA INVESTOR AS	440 000	0.3%
TROVÅG AS	418 792	0.3%
Total 20 largest equity certificate holders	103 931 643	74.2%
SpareBank 1 Sørøst-Norge (own equity certificates)	227 430	0.2%
Other owners	35 939 488	25.7%
Total number of equity certificates (par value NOK 15)	140 098 561	100.0%

Note 22 – Equity certificates and ownership fractions

The equity certificate holders' share of the profit is calculated as the profit before tax distributed in relation to the average number of equity certificates issued in the financial year. There are no option agreements relating to the equity certificates meaning that the diluted result is consistent with earnings per equity certificate.

Parent bank	31.03.2024
Equity certificate fraction (Amounts in NOK millions)	
Equity certificate capital	2 101
Share premium fund	3 779
Dividend equalisation fund, excl. other equity	1 681
Total equity certificate holders' capital	7 561
Sparebankens Fond, excl. other equity	4 889
Gift fund	7
Total community-owned capital	4 896
Equity excl. dividends, gifts, hybrid capital and other equity	12 457
Equity certificate fraction	60.7%
Community capital	39.3%
Parent bank	31.03.2024
Based on profit divided between equity certificate holders and community capital (NOK millions)	351
Average number of equity certificates issued	140 098 561
Earnings per equity certificate (NOK)	1.52
Market price (NOK)	67.00
Nominal Value (NOK)	15.00
Corrected result (amounts in NOK millions)	
Profit before other comprehensive income	358
- corrected for interest on additional Tier 1 capital recognised directly against equity	-8
Adjusted profit	351

Note 23 – Events after the statement of financial position date

No events with a material bearing on the financial statements have occurred since the statement of financial position date.

Statement of the Board of Directors and CEO

We declare that, to the best of our knowledge and belief, the interim accounts for the period 01.01.2024 to 31.03.2024 have been prepared in accordance current accounting standards, including IAS 34 “Interim reporting”, and that the information in the financial statements gives a true picture of the parent bank’s and the Group’s assets, liabilities, financial position and results as a whole.

- summary of key events in the accounting period and their influence on the interim financial statements
- description of the most important risk and uncertainty factors faced by the Group in the next financial period
- description of material transactions with close associates.

We also declare that, to the best of our knowledge and belief, the interim report provides an accurate:

Sandefjord, 24.04.2024
The Board of Directors of SpareBank 1
Sørøst-Norge

Finn Haugan
Chair

John-Arne Haugerud
Deputy Chair

Lene Svenne

Heine Wang

Jan Erling Nilsen

Lene Marie Aas Thorstensen

Maria Tho

Hanne Myhre Gravdal
Employee representative

Frede Christensen
Employee representative

Per Halvorsen
CEO

Statements concerning future events

The report contains statements about future circumstances that reflect the executive management team's current view of certain future events and potential financial performance.

Although SpareBank 1 Sørøst-Norge believes that the expectations expressed in such statements about the future are reasonable, there can be no guarantee that the expectations will prove to have been correct. Results could therefore vary greatly from those assumed in the statements regarding future circumstances.

Important factors that can cause such differences for SpareBank 1 Sørøst-Norge include, but are not limited to:

- (i) macroeconomic developments,
- (ii) changes in the market, and
- (iii) changes in interest rates.

This report does not mean that SpareBank 1 Sørøst-Norge undertakes to revise these statements on future matters beyond that which is required by applicable law or applicable stock exchange rules if and when circumstances arise that will cause changes compared with the situation on the date when the statements were made.

