

Økern Portal



Second quarter report 2023

SPAREBANK 1 ØSTLANDET

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Key figures

Group	2Q	1Q	2Q	YTD	YTD	Year
Summary (NOK million)	2023	2023	2022	2023	2022	2022
Net interest income	852	857	634	1 710	1 219	2 693
Net commission and other operating income	412	366	426	777	823	1 588
Net income from financial assets and liabilities	117	102	- 120	219	- 20	162
Total income	1 381	1 325	941	2 706	2 022	4 443
Total operating expenses	534	529	520	1 064	1 024	2 037
Operating profit before losses on loans and guarantees	846	796	421	1 642	998	2 406
Impairment losses on loans and guarantees	86	49	- 59	135	- 55	27
Pre-tax operating profit	760	747	480	1 507	1 053	2 379
Tax expense	181	95	130	276	168	431
Profit after tax	579	652	350	1 231	885	1 948
Interest expenses on hybrid capital	17	15	11	32	21	47
Profit after tax incl. interest hybrid capital ¹⁾	563	636	339	1 199	865	1 902
Profitability						
Return on equity capital ¹⁾	12.2 %	13.9 %	7.7 %	12.9 %	9.9 %	10.5 %
Cost income ratio ¹⁾	38.7 %	39.9 %	55.3 %	39.3 %	50.6 %	45.8 %
Net interest income calculated as a percentage of average total assets	1.98 %	2.04 %	1.55 %	2.01 %	1.52 %	1.63 %
Profit after tax calculated as a percentage of average total assets	1.35 %	1.55 %	0.85 %	1.44 %	1.11 %	1.18 %
Balance sheet and ratios						
Gross loans to customers	130 814	127 896	128 943	130 814	128 943	130 851
Gross loans to customers including loans transferred to covered bond companies ¹⁾	194 110	190 287	183 346	194 110	183 346	188 729
Growth in loans during the last 12 months ¹⁾	1.5 %	3.1 %	9.2 %	1.5 %	9.2 %	7.9 %
Growth in loans including loans transferred to covered bond companies in the last 12 months ¹⁾	5.9 %	7.0 %	9.6 %	5.9 %	9.6 %	8.7 %
Deposits from customers	105 881	100 400	100 005	105 881	100 005	98 813
Growth in deposits in the last 12 months ¹⁾	5.9 %	6.9 %	8.1 %	5.9 %	8.1 %	7.2 %
Deposit to loan ratio ¹⁾	80.9 %	78.5 %	77.6 %	80.9 %	77.6 %	75.5 %
Deposit to loan ratio incl. loans transferred to covered bond companies ¹⁾	54.5 %	52.8 %	54.5 %	54.5 %	54.5 %	52.4 %
Average total assets	172 612	170 097	164 389	171 881	161 412	165 140
Total assets	175 449	169 776	168 997	175 449	168 997	170 419
Total assets including loans transferred to covered bond companies ¹⁾	238 744	232 167	223 400	238 744	223 400	228 297
Losses and commitments in default						
Impairment on loans as a percentage of gross loans ¹⁾	0.3 %	0.2 %	-0.2 %	0.2 %	-0.1 %	0.0 %
Gross loans to customers in stage 2, percentage of total gross loans	9.0 %	9.0 %	8.0 %	9.0 %	8.0 %	9.0 %
Gross loans to customers in stage 3, percentage of total gross loans	1.1 %	0.6 %	0.5 %	1.1 %	0.5 %	0.6 %
Solidity and liquidity						
CET 1 capital ratio	17.9 %	17.7 %	18.0 %	17.9 %	18.0 %	17.7 %
Tier 1 capital ratio	19.2 %	19.0 %	19.3 %	19.2 %	19.3 %	19.0 %
Capital adequacy ratio	20.9 %	20.7 %	21.0 %	20.9 %	21.0 %	20.7 %
Total eligible capital	19 907	19 311	18 692	19 907	18 692	18 854
Equity ratio ¹⁾	11.3 %	11.3 %	11.1 %	11.3 %	11.1 %	11.6 %
Leverage Ratio	7.3 %	7.2 %	7.1 %	7.3 %	7.1 %	7.2 %
LCR ²⁾	184.5 %	162.6 %	150.6 %	184.5 %	150.6 %	164.5 %
LCR in NOK ²⁾	152.7 %	130.3 %	130.9 %	152.7 %	130.9 %	150.4 %
LCR in EUR ²⁾	1124.1 %	1074.1 %	910.2 %	1124.1 %	910.2 %	976.2 %
NSFR ³⁾	132.7 %	131.3 %	122.5 %	132.7 %	122.5 %	125.3 %
NSFR in NOK ³⁾	115.7 %	113.9 %	104.7 %	115.7 %	104.7 %	109.4 %
NSFR in EUR ³⁾	1597.3 %	1955.2 %	1358.9 %	1597.3 %	1358.9 %	847.1 %
Staff						
Number of fulltime equivalents	1 147	1 142	1 131	1 147	1 130	1 121

1) See attachment in Factbook regarding Alternative performance measures.

2) Liquidity Coverage Ratio: Measures the size of banks' liquid assets relative to net liquidity outflow 30 days ahead of time given a stress situation.

3) Net Stable Funding Ratio: Measures the bank's available stable funding in relation to the bank's need for stable funding for the following year.

Equity capital certificates (ECC) ¹⁾	30 Jun. 2023	30 Jun. 2022	2022	2021	2020	2019	2018	2017
ECC ratio	69.9 %	70.0 %	70.0 %	70.0 %	70.0 %	70.1 %	69.3 %	67.6 %
Average ECC ratio	70.0 %	70.0 %	70.0 %	69.8 %	70.1 %	69.3 %	67.7 %	67.5 %
ECC issued	115 829 789	115 829 789	115 829 789	115 829 789	115 829 789	115 829 789	115 319 521	107 179 987
Market price (NOK)	130.00	117.20	121.20	145.60	97.80	92.50	83.00	90.50
Market capitalisation (NOK million)	15 058	13 575	14 038.57	16 865	11 328	10 714	9 572	9 700
Book equity per ECC ²⁾	112.23	106.42	112.71	106.31	98.76	93.67	85.83	80.96
Earnings per ECC, NOK ³⁾	7.17	5.18	11.37	11.96	9.57	11.55	8.46	7.81
Dividend per ECC ⁴⁾			6.80	6.00	4.79	4.58 ⁴⁾	4.12	3.96
Price/Earnings per ECC ²⁾	8.99	11.23	10.66	12.18	10.22	8.01	9.81	11.59
Price/book equity ²⁾	1.16	1.10	1.08	1.37	0.99	0.99	0.97	1.12

1) SpareBank 1 Østlandet was listed on the stock exchange on 13 June 2017.

2) See attachment regarding Alternative performance measures.

3) Profit after tax and interest on hybrid capital for controlling interests * Average ECC ratio / number of ECC's.

4) The payout ratio for the dividend for 2019 was, in accordance with the Board's revised recommendation and as communicated in a market announcement dated 19 March 2020, reduced from 50 per cent to 40 per cent. The dividend per ECC was changed from NOK 5.72 to NOK 4.58.

Profit/loss from the quarterly accounts

Group	2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q
(NOK million)	2023	2023	2022	2022	2022	2022	2021	2021	2021
Interest income	1 987	1 883	1 679	1 247	1 034	908	811	754	739
Interest expense	1 134	1 026	890	563	400	323	248	212	207
Net interest income	852	857	789	684	634	585	563	542	532
Commission income	378	355	350	375	386	352	387	397	385
Commission expenses	15	39	23	24	19	21	22	23	21
Other operating income	49	50	43	44	60	66	59	50	62
Net commission and other operating income	412	366	370	395	426	397	424	424	426
Dividends from shares and other equity instruments	10	17	14	1	14	16	0	0	9
Net income from associates and joint ventures	22	59	113	37	20	16	126	109	111
Net profit from other financial assets and liabilities	84	25	46	-27	-153	68	-14	88	62
Net profit from financial assets and liabilities	117	102	172	10	-120	100	113	198	181
Total net income	1 381	1 325	1 332	1 089	941	1 081	1 100	1 163	1 139
Personnel expenses	297	295	282	286	297	287	280	279	283
Depreciation	29	34	25	30	36	31	30	31	30
Other operating expenses	208	200	210	179	186	186	220	164	178
Total operating expenses	534	529	517	496	520	504	531	473	492
Operating profit before losses on loans and guarantees	846	796	814	594	421	577	569	690	647
Impairment on loans and guarantees	86	49	63	19	-59	4	28	-16	11
Pre-tax operating profit	760	747	751	575	480	573	541	706	637
Tax expense	181	95	130	134	130	37	37	144	121
Profit after tax	579	652	622	441	350	536	505	561	516
	2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q
	2023	2023	2022	2022	2022	2022	2021	2021	2021
Profitability									
Return on equity capital ¹⁾	12.2 %	13.9 %	12.9 %	9.4 %	7.7 %	12.2 %	11.1 %	12.6 %	12.1 %
Net interest income ²⁾	1.98 %	2.04 %	1.83 %	1.60 %	1.55 %	1.50 %	1.44 %	1.39 %	1.40 %
Cost income ratio ³⁾	38.7 %	39.9 %	38.8 %	45.5 %	55.3 %	46.6 %	48.3 %	40.7 %	43.2 %
Balance sheet and ratios									
Gross loans to customers	130 814	127 896	130 851	130 409	128 943	124 053	121 284	119 511	118 132
Gross loans to customers including loans transferred to covered bond companies ¹⁾	194 110	190 287	188 729	186 700	183 346	177 831	173 700	170 369	167 290
Growth in loans during the last 12 months ¹⁾	1.5 %	3.1 %	7.9 %	9.1 %	9.2 %	8.8 %	7.0 %	5.2 %	5.1 %
Growth in loans including loans transferred to covered bond companies in the last 12 months ¹⁾	5.9 %	7.0 %	8.7 %	9.6 %	9.6 %	9.4 %	7.7 %	5.8 %	5.9 %
Growth in loans during the last quarter ¹⁾	2.3 %	-2.3 %	0.3 %	1.1 %	3.9 %	2.3 %	1.5 %	1.2 %	3.6 %
Growth in loans including loans transferred to covered bond companies in the last quarter ¹⁾	2.0 %	0.8 %	1.1 %	1.8 %	3.1 %	2.4 %	2.0 %	1.8 %	2.9 %
Deposits from customers	105 881	100 400	98 813	98 896	100 005	93 924	92 178	91 265	92 551
Deposit to loan ratio ¹⁾	80.9 %	78.5 %	75.5 %	75.8 %	77.6 %	75.7 %	76.0 %	76.4 %	78.3 %
Deposit to loan ratio including loans transferred to covered bond companies ¹⁾	54.5 %	52.8 %	52.4 %	53.0 %	54.5 %	52.8 %	53.1 %	53.6 %	55.3 %
Growth in deposits in the last 12 months	5.9 %	6.9 %	7.2 %	8.4 %	8.1 %	7.4 %	7.7 %	6.7 %	8.3 %
Growth in deposits in the last quarter	5.5 %	1.6 %	-0.1 %	-1.1 %	6.5 %	1.9 %	1.0 %	-1.4 %	5.8 %
Average total assets	172 612	170 097	170 731	169 957	164 389	157 620	154 888	154 780	152 681
Total assets	175 449	169 776	170 419	170 916	168 997	159 647	155 459	154 316	155 243
Total assets including loans transferred to covered bond companies ¹⁾	238 744	232 167	228 297	227 207	223 400	213 425	207 875	205 175	204 401
Losses and commitments in default									
Losses on loans as a percentage of gross loans ¹⁾	0.3 %	0.2 %	0.2 %	0.1 %	-0.2 %	0.0 %	0.1 %	-0.1 %	0.0 %
Commitments in default, percentage of gross loans ¹⁾	0.3 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.3 %	0.3 %	0.3 %
Other doubtful commitments, percentage of gross loans ¹⁾	0.8 %	0.4 %	0.4 %	0.2 %	0.3 %	0.3 %	0.3 %	0.3 %	0.3 %
Net commitments in default and other doubtful commitments, percentage of gross loans ¹⁾	1.0 %	0.6 %	0.5 %	0.4 %	0.4 %	0.4 %	0.5 %	0.5 %	0.5 %
Financial strength									
Common equity Tier 1 capital ratio	17.9 %	17.7 %	17.7 %	18.2 %	18.0 %	18.0 %	18.0 %	18.0 %	17.8 %
Tier 1 capital ratio	19.2 %	19.0 %	19.0 %	19.5 %	19.3 %	19.3 %	19.4 %	19.4 %	18.8 %
Capital ratio	20.9 %	20.7 %	20.7 %	21.2 %	21.0 %	20.9 %	21.1 %	21.3 %	20.7 %
Net subordinated capital	19 907	19 311	18 854	19 089	18 692	18 312	17 933	17 899	17 242

1) See attachment in Factbook regarding Alternative performance measures.

2) Net interest income as a percentage of average total assets for the period.

3) Total operating costs as a percentage of total operating income (isolated for the quarter).

Report of the Board of Directors

Second quarter of 2023 (Consolidated figures. Figures in brackets concern the corresponding period in 2022)

- Profit after tax: NOK 579 (350) million
- Return on equity: 12.2 (7.7) per cent
- Earnings per equity capital certificate: NOK 3.37 (2.02)
- Net interest income: NOK 852 (634) million
- Net commissions and other operating income: NOK 412 (426) million
- Net result from financial assets and liabilities: NOK 117 (-120) million
- Total operating expenses: NOK 534 (520) million
- Impairment losses on loans and guarantees: NOK 86 million (net reversal of NOK 59 million)
- Lending growth in the last quarter, including mortgages transferred to the covered bond companies: 2.0 (3.1) per cent
- Deposit growth in the last quarter: 5.5 (6.5) per cent
- Lending growth in the past 12 months, including mortgages transferred to the covered bond companies: 5.9 (9.6) per cent
- Deposit growth in the past 12 months: 5.9 (8.1) per cent
- Common Equity Tier 1 capital ratio: 17.9 (18.0) per cent
- The Bank's green lending (including mortgages transferred to the covered bond institutions) amounted to NOK 36.1 billion (NOK 29.7 billion)

Important events in the second quarter of 2023

Payment of dividends and customer dividends for 2022

On 12.4.2023, SpareBank 1 Østlandet paid out NOK 788 (695) million to its equity capital certificate holders in ordinary dividends for 2022. The dividend amounted to NOK 6.80 (6.00) per equity capital certificate.

SpareBank 1 Østlandet has distributed customer dividends for the sixth consecutive year. NOK 306 (295) million was distributed to customers on 21.4.2023.

Policy rate

Norges Bank decided to raise interest rates twice in the second quarter. On 4.5.2023, a decision was made to raise the policy rate by 0.25 percentage points to 3.25 per cent, and on 22.6.2023 the policy rate was raised by a further 0.50 percentage points to 3.75 per cent.

Interest rate changes

SpareBank 1 Østlandet decided to increase its lending and deposit rates for retail and corporate customers twice in the second quarter.

On 11.5.2023, SpareBank 1 Østlandet decided to increase its lending and deposit rates for retail and

corporate customers by up to 0.25 percentage points.

The interest rate changes came into effect on 15.5.2023 for new loans, while rates for existing loans and deposits came into effect from 29.5.2023 for corporate customers and from 27.6.2023 for retail customers.

On 26.6.2023, SpareBank 1 Østlandet decided to further increase its lending and deposit rates for retail and corporate customers by up to 0.50 percentage points. The interest rate changes were made with effect from 10.8.2023 for new and existing loans, as well as deposits for retail customers. For corporate customers, interest rates on existing loans and deposits were changed with effect from 13.7.2023.

Updated sustainability rating

SpareBank 1 Østlandet's ESG Risk Rating from Sustainalytics has been adjusted from 9.0 to 9.2. It is still rated Negligible Risk

New green bonds in Norwegian kroner

In the second quarter, the Bank issued its first green senior non-preferred bonds in Norwegian kroner. Two bonds totalling NOK 1 billion were issued.

Consolidated financial statements for the second quarter of 2023

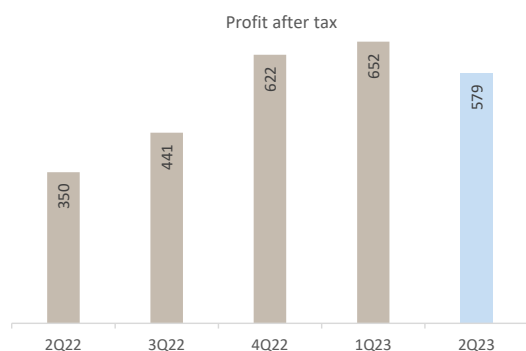
Consolidated profit

The SpareBank 1 Østlandet Group's profit after tax for the second quarter was NOK 579 (350) million and the return on equity was 12.2 (7.7) per cent.

Consolidated profit after tax, NOK millions	2Q23	1Q23	2Q22	YTD 2023	YTD 2022
Parent Bank's profit after tax	862	686	412	1 549	1 106
Elimination of dividends from subsidiaries/associates	-355	-138	-113	-494	-338
Elimination of gains from realisation of subs./associat.	0	-4	-15	-4	-15
Profit from subsidiaries:					
SpareBank 1 Finans Østlandet AS*	33	48	32	80	75
EiendomsMegler 1 Oslo Akershus AS*	4	-2	7	2	8
EiendomsMegler 1 Innlandet AS	1	-3	3	-2	0
SpareBank 1 Forretningspartner AS*	3	-1	-6	2	-1
Youngstorgret 5 AS	2	2	1	4	2
AS Vato	0	0	0	1	1
Share of profit from associates/joint ventures:					
SpareBank 1 Gruppen AS*	-3	21	10	18	19
SpareBank 1 Boligkreditt AS	21	33	-4	54	-9
SpareBank 1 Næringskreditt AS	2	2	0	5	0
SpareBank 1 Kreditt AS	-2	-4	3	-6	6
SpareBank 1 Betaling AS	-10	-7	0	-17	-5
SpareBank 1 Forvaltning AS*	2	3	4	5	6
SpareBank 1 Gjeldsinformasjon AS	0	0	0	0	0
SpareBank 1 Kundepleie AS	0	0	0	0	2
SpareBank 1 Bank og Regnskap AS	1	0	0	1	1
BN Bank ASA	16	18	13	34	27
Other group items	0	-2	2	-1	-1
Consolidated profit after tax	579	652	350	1 231	885

* Consolidated figures

The improvement in profit compared with the same period last year was due to higher net interest income and positive net income from financial assets and liabilities. A reduction in net commissions and other operating income, higher operating expenses, increased loss costs and a higher income tax expense pulled in the opposite direction.



Net interest income

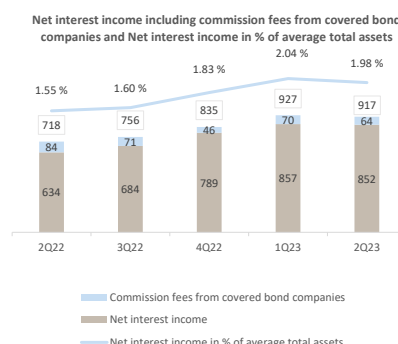
Net interest income amounted to NOK 852 (634) million in the second quarter. Net interest income should be viewed in conjunction with commission income from mortgages transferred to the part-owned covered bond companies, totalling NOK 64 (84) million. Total net interest income and commissions from the covered bond companies was NOK 917 (718) million.

Figures in NOK millions	2Q23	1Q23	2Q22	YTD 2023	YTD 2022
Interest income	1 987	1 883	1 034	3 870	1 942
Interest expense	1 134	1 026	400	2 160	723
Net interest income	852	857	634	1 710	1 219
Commission income from mortgages transferred to covered bond companies	64	70	84	134	177
Combined net interest income and commission income from the covered bond companies	917	927	718	1 844	1 396

The increase in the combined net interest income and commission income from the covered bond companies from the same period last year was due to better deposit margins, as well as growth in lending and deposit volumes. This was offset to some extent by weaker lending margins on our own balance sheet and reduced commission rates due to increased funding costs in the covered bond companies.

Net interest income as a percentage of average total assets was 1.98 (1.55) per cent.

For more detailed information, see Note 2 "Accounting policies", Note 3 "Segment information" and Note 5 "Net interest income".



Net commissions and other operating income

Net commissions and other operating income amounted to NOK 412 (426) million in the second quarter.

Figures in NOK millions	2Q23	1Q23	2Q22	YTD 2023	YTD 2022
Net money transfer fees	89	49	67	138	119
Commissions from insurance/savings	76	79	76	156	151
Commissions from covered bonds comp.	64	70	84	134	177
Commission from credit cards	16	18	16	34	31
Real estate brokerage commissions	95	73	99	168	174
Accounting services	34	36	49	70	101
Other operating income	37	40	35	77	71
Net commissions and other operating income	412	366	426	777	823

The reduction in net commissions and other operating income compared with the same period last year was mainly due to reduced commission income from covered bond companies resulting from reduced commission rates. The lower rates are a result of money market rates having risen faster than customer rates could be adjusted.

Increased net income from money transfer services in particular, partly related to card use, pulled in a positive direction.

As a result of the demerger of the consultancy component of SpareBank 1 ForretningsPartner Østlandet AS, the income base was reduced with effect from 23.8.2022. This contributed to a fall in the Group's income from accounting services to NOK 34 (49) million in the second quarter.

For more detailed information please see Note 2 "Accounting policies", Note 3 'Segment information' and Note 6 "Net commissions and other operating income".

Net income from financial assets and liabilities

The net investment result from other financial assets and liabilities was NOK 117 (-120) million in the second quarter.

Figures in NOK millions	2Q23	1Q23	2Q22	YTD 2023	YTD 2022
Dividends from shares and other equity instruments	10	17	14	28	29
Net income from subsidiaries, associates and joint ventures	22	59	20	82	36
Net profit from other financial assets and liabilities	84	25	-153	109	-85
Net profit from financial assets and liabilities	117	102	-120	219	-20

Dividends from shares and other equity instruments amounted to NOK 10 (14) million and mainly consisted of dividends from SpareBank 1 Markets.

Net income from associated companies and joint ventures amounted to NOK 22 (20) million.

Net income from associates and joint ventures	2Q23	1Q23	2Q22	YTD 2023	YTD 2022
SpareBank 1 Gruppen AS*	-3	21	10	18	19
SpareBank 1 Boligkreditt AS	21	33	-4	54	-9
SpareBank 1 Næringskreditt AS	2	2	0	5	0
SpareBank 1 Kreditt AS	-2	-4	3	-6	6
SpareBank 1 Betalling AS	-10	-7	0	-17	-5
SpareBank 1 Forvaltning AS*	2	3	4	5	6
SpareBank 1 Gjeldsinformasjon AS	0	0	0	0	0
SpareBank 1 Kundepleie AS	0	0	0	0	2
SpareBank 1 Bank og Regnskap AS	1	0	0	1	1
BN Bank ASA	16	18	13	34	27
SpareBank 1 Mobilitet Holding AS**	-7	-7	-8	-13	-12
Gains or losses on realisation of associates and joint ventures	0	0	1	0	0
Net income from associates and joint ventures	22	59	20	82	36

* Consolidated figures

** Included in the consolidated figures for SpareBank 1 Finans Østlandet AS

The NOK 2 million increase compared with the same quarter last year was primarily due to a higher profit contribution from SpareBank 1 Gruppen. Reduced profit contributions from, in particular, SpareBank 1 Gruppen AS and SpareBank 1 Payment AS pulled in a negative direction.

Net income from other financial assets and liabilities was NOK 84 (-153) million in the second quarter. Revaluations of fixed-rate loans and associated hedging derivatives contributed NOK 29 million, equity instruments at fair value contributed NOK 17 million, the liquidity portfolio contributed NOK 13 million, and income from currency trading and hedging contributed NOK 15 million.

For more detailed information please see Note 7 "Net income from financial assets and liabilities".

Operating expenses

Total operating expenses amounted to NOK 534 (520) million in the second quarter.

Expenses, NOK millions	2Q23	1Q23	2Q22	YTD 2023	YTD 2022
Personnel expenses	297	295	297	592	585
Depreciation and amortisation	29	34	36	63	67
ICT expenses	87	89	80	176	162
Marketing expenses	27	25	26	53	48
Operating expenses from real estate	19	22	15	40	34
Other expenses	74	65	65	139	128
Total operating expenses	534	529	520	1 064	1 024

The increase in operating expenses of NOK 14 million from the same quarter last year was mainly due to ICT costs and the accounting item "other operating expenses".

Operating expenses in the parent bank increased by NOK 33 million, while other operating expenses in the Group fell by NOK 18 million. As a result of the demerger of the consultancy component of SpareBank 1 ForretningsPartner Østlandet AS, the cost base was reduced with effect from 23.8.2022. The Group's operating expenses related to accounting services amounted to NOK 34 (57) million in the second quarter.

For more detailed information please see Note 8 "Operating expenses" and Note 3 "Segment information".

As at 30.6.2023, the Group had 1 147 (1 130) FTEs. The overall increase of 17 FTEs was due to an increase of 54 FTEs in the parent bank. The reasons for the increase included a greater focus on the Oslo area, the strengthening of the Direct Bank (customer service center) and more staff in connection with regulatory compliance. The sale of the consultancy business in SpareBank 1 ForretningsPartner Østlandet AS resulted, in isolation, in a reduction in staffing equal to 48 FTEs.

Impairment losses on loans and guarantees

In the second quarter, the Group saw impairment losses on loans and guarantees amounting to NOK 86 million (net reversal of NOK 59 million).

Isolated loss effects, NOK millions	2Q23	1Q23	2Q22	YTD 2023	YTD 2022
Change ECL due to growth and migration	12	-1	11	11	17
Change ECL due to adjusted key assumptions	13	31	-18	45	-18
Change ECL due to changed scenario weighting	0	0	-60	0	-60
Change in model-based loss provisions	25	30	-66	56	-61
Change individual loss provisions	55	1	-5	56	-11
Net write-offs	6	18	12	24	16
Total losses	86	49	-59	135	-55

Model-generated provisions for credit losses (Stage 1 and Stage 2) increased by NOK 25 million due to an increase in expected credit loss (ECL) based on adjusted key assumptions and the effect of the period's growth and migration. The change in individual provisions for credit losses (Stage 3) resulted in loss costs of NOK 55 million, while the period's net realised losses amounted to NOK 6 million.

For more detailed information about provisions for credit losses, see Note 2 "Accounting policies", Note 9 "Impairment losses on loans and liabilities", Note 11 "Loans to and receivables from customers", and Note 12 "Provisions for credit losses on loans and liabilities".

Some 71 (73) per cent of the SpareBank 1 Østlandet Group's total lending, inclusive of mortgages transferred to the covered bond companies, was to retail customers, mainly consisting of housing mortgages.

Credit risk

As at 30.6.2023, the Group's capitalised provisions for credit losses amounted to NOK 610 (434) million.

Figures in NOK million / per cent of gross lending	2Q23	1Q23	2Q22
Gross loans in stage 1	111 423	109 664	111 905
Gross loans in stage 2	11 749	11 531	10 252
Gross loans in stage 3	1 470	812	623
Loan and advances to customers at fair value	6 172	5 889	6 164
Total gross loans	130 814	127 896	128 944
Provisions for credit losses in stage 1	173	175	160
Provisions for credit losses in stage 2	272	244	177
Provisions for credit losses in stage 3	166	111	97
Total provisions for credit losses	610	530	434
Loan loss impairment ratio for stage 1	0.15 %	0.16 %	0.14 %
Loan loss impairment ratio for stage 2	2.31 %	2.12 %	1.73 %
Loan loss impairment ratio for stage 3	11.30 %	13.72 %	15.51 %
Total loan loss impairment ratio in per cent of gross loans	0.47 %	0.41 %	0.34 %

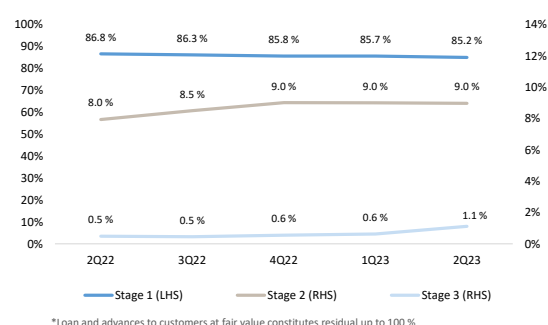
The Group's lending and liabilities are categorised into three groups: Stage 1, Stage 2, and Stage 3.

Stage 1 is used for lending that does not have a substantially higher credit risk than it did upon initial recognition. A provision is made for 12 months' expected loss.

Stage 2 is used for lending that has a substantially higher credit risk than it did upon being granted, but where no credit loss has occurred on the balance sheet date. A provision is made for expected loss over the entire lifetime.

Stage 3 is used for lending that has a substantially higher credit risk than it did upon being granted and where there is, on the balance sheet date, deemed to exist a default or an objective event that entails reduced future cash flows to service the commitment. For these exposures, the loss provision must cover expected loss over their lifetime.

Gross exposure in the different stages was as follows:



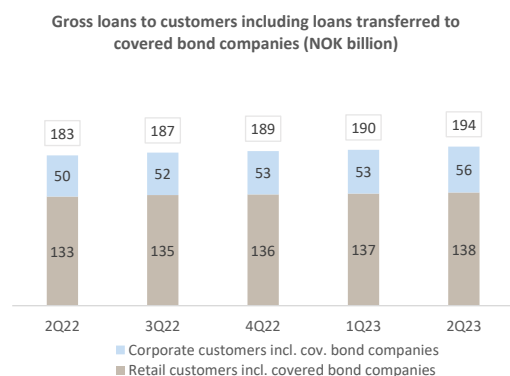
The Bank's credit risk is affected by macroeconomic conditions. The Norwegian economy has for some time been characterised by strong pressure on capacity and low unemployment. Even though the economy developed better than expected during the winter, the prospect of weaker growth remains due to factors such as high inflation, rising costs and interest rate hikes by Norges Bank. The Bank continuously assesses how the situation is affecting its customers and the provisions required in relation to IFRS 9.

Credit risk as measured by the Bank's credit models was stable for both the corporate market and the retail market during the second quarter of 2023. There was a moderate increase in individual loss provisions within the corporate market, although it is still at a low level. Individual loss provisions in the retail market are stable. At the end of the second quarter of 2023, the Bank's measured credit risk was within the risk tolerances approved by the Board. The Board's assessment is that the Group's credit risk is moderate to low.

For more detailed information, see Note 2 "Accounting policies", Note 9 "Impairment losses on loans and liabilities", Note 11 "Loans to and receivables from customers", and Note 12 "Provisions for credit losses on loans and liabilities".

Lending to customers

Gross loans to customers, inclusive of mortgages transferred to the covered bond companies, totalled NOK 194.1 (183.3) billion as at 30.6.2023. As at 30.6.2023, mortgages totalling NOK 62.2 (53.1) billion had been transferred to SpareBank 1 Boligkreditt AS and mortgages totalling NOK 1.1 (1.3) billion had been transferred to SpareBank 1 Næringskreditt AS.

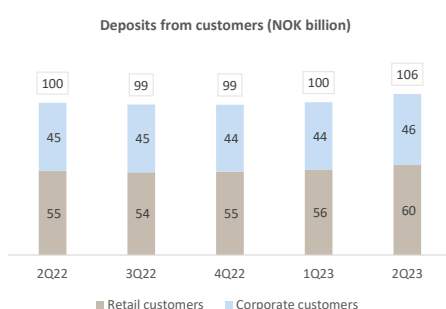


Lending growth in the past 12 months, inclusive of mortgages transferred to the covered bond companies, was NOK 10.8 (16.1) billion, equivalent to 5.9 (9.6) per cent. Growth was distributed as follows: NOK 4.9 (9.4) billion, or 3.7 (7.6) per cent, in the retail market, and NOK 5.9 (6.6) billion, or 11.7 (15.3) per cent, in the corporate market.

The Group has intensified its efforts to reduce emissions in its loan portfolio with a target of achieving net zero emissions from 2050. The Bank's green lending (including loans transferred to the covered bond companies) amounted to NOK 36.1 billion kroner at the end of the quarter (NOK 29.7 billion), corresponding to 18.5 (16.2) per cent of total lending.

Deposits from customers

As at 30.6.2023, deposits from customers totalled NOK 105.9 (100.0) billion. Deposit growth in the past 12 months was NOK 5.9 (7.5) billion, equivalent to 5.9 (8.1) per cent. The growth was distributed as follows: NOK 4.1 (3.8) billion, or 7.5 (7.3) per cent, in the retail market, and NOK 1.7 (3.7) billion, or 3.9 (9.0) per cent, in the corporate market.



The Group's deposit coverage ratio was 80.9 (77.6) per cent. The Group's deposit coverage ratio, inclusive of mortgages transferred to the covered bond companies, was 54.5 (54.5) per cent.

Liquidity

Borrowing from credit institutions and securities issued (senior preferred debt, senior non-preferred debt, subordinated loan capital and additional Tier 1 capital) totalled NOK 44.5 (46.7) billion, 44 (51) per cent of which was euro-denominated. The average term to maturity for the Group's long-term funding was 3.5 (4.2) years, while the average term to maturity for all funding was 3.4 (3.5) years.

The liquidity coverage ratio (LCR) was 184.5 (150.6) per cent as at 30.6.2023.

The Bank's goal is for 20 per cent of the liquidity portfolio to have an ESG label by the end of 2023. As at 30.6.2023, around 19 per cent of the liquidity portfolio had an ESG label.

In spite of the occasional turbulence in the securities markets, the Board considers the Group's liquidity situation to be satisfactory.

Equity capital certificates

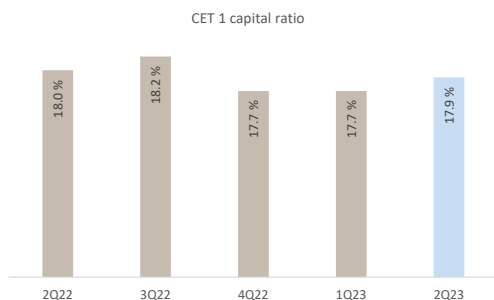
As at 30.6.2023, the equity share capital comprised 115 829 789 (115 829 789) equity capital certificates, and the book value per equity capital certificate was NOK 112.23 (106.42). Earnings per equity capital certificate amounted to NOK 3.37 (2.02) for the second quarter.

As at 30.6.2023, the market price of the Bank's equity capital certificate (ticker "SPOL") was NOK 130.00 (NOK 117.20). On 12.4.2023, NOK 6.80 (6.00) per equity certificate was paid in dividends for 2022.

Financial strength and capital adequacy

As at 30.6.2023, the Group's equity totalled NOK 19.9 (18.8) billion and represented 11.3 (11.1) per cent of the balance sheet. The leverage ratio was 7.3 (7.1) per cent.

As at 30.6.2023, the Group's Common Equity Tier 1 capital ratio was 17.9 (18.0) per cent. The Tier 1 capital and Tier 2 capital ratios were 19.2 (19.3) per cent and 20.9 (21.0) per cent, respectively.



The Bank has permission to use internal methods (IRB) for determining the capital requirements for the majority of its loan portfolio. Therefore, the Bank sets its own risk weights and regulatory expected losses for these exposures.

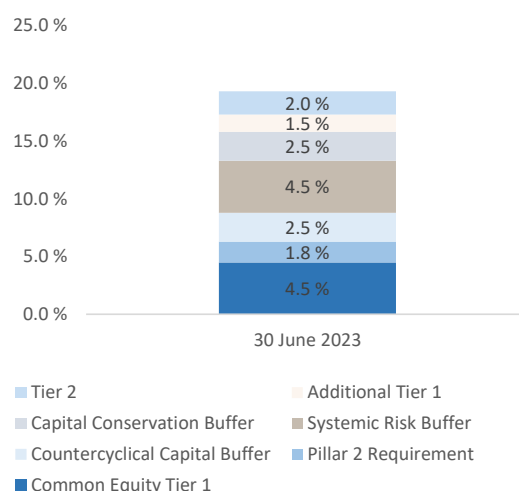
Besides the ordinary subsidiaries consolidated into the Bank's accounting group, the following companies are also proportionately consolidated into the Group's capital adequacy:

- SpareBank 1 Boligkreditt AS
- SpareBank 1 Næringskreditt AS
- SpareBank 1 Kreditt AS
- BN Bank ASA

The current requirement for Common Equity Tier 1 capital consists of a minimum requirement of 4.5 per cent, as well as a buffer requirement totalling 9.5 per cent for the parent bank and 9.5 per cent for the Group. The institution-specific countercyclical and systemic risk buffers were calculated to be 2.5 per cent and 4.5 per cent, respectively, for the Group.

SpareBank 1 Østlandet was also subject to a Pillar 2 requirement of 1.8 per cent at a consolidated level as at 30.6.2023. The Financial Supervisory Authority of Norway also expects the Group to main a capital requirements margin of at least 1.0 per cent. The total capital requirements for Common Equity Tier 1 capital were, therefore, 14.0 per cent for the parent bank and 15.8 per cent for the Group. In addition to this, a further 1.5 per cent is covered by additional Tier 1 capital and 2.0 per cent is covered by Tier 2 capital.

The Group's Capital Requirements



The Ministry of Finance initiated a consultation process in January 2023 concerning amendments to the rules for the Pillar 2 requirement. Among the proposals are that the Pillar 2 requirement should be covered by a minimum of 56.25 per cent Common Equity Tier 1 capital and a minimum of 75 per cent Tier 1 capital, in contrast to the current scheme which requires that the Pillar 2 requirement be covered exclusively by Common Equity Tier 1 capital. The requirement for the Group's Common Equity Tier 1 capital ratio would thus decrease by about 0.8 percentage points, all else being equal.

The Board of Directors considers the Bank's financial situation to be solid and that it is well-equipped with respect to meet the impact of future regulatory changes.

Rating

Moody's Investors Service (Moody's) has rated SpareBank 1 Østlandet's deposits and senior preferred debt Aa3 with stable outlooks. Furthermore, the Bank's baseline credit assessment (BCA) and adjusted BCA are rated at a3 and the Bank's senior non-preferred debt is rated at A3 with a stable outlook. SpareBank 1 Østlandet is, therefore, one of the three savings banks in Norway with the highest credit rating from Moody's.

SpareBank 1 Østlandet has an ESG Risk Rating from Sustainalytics of 9.2 (Negligible Risk), an AAA from MSCI ESG Ratings and an A from the CDP (Carbon Disclosure Project) for its work on climate.

Parent bank's financial statements for the second quarter of 2023

Parent bank's results

The Parent Bank's profit after tax for the second quarter was NOK 862 (412) million. The NOK 450 million improvement in profit compared with the same quarter last year was due to higher recognised dividends, positive net income from financial assets and liabilities and increased net interest income. Increased operating expenses and loss costs, a higher income tax expense and reduced commission income from the covered bond companies pulled, in isolation, in a negative direction.

Operating expenses

Total operating expenses in the parent bank amounted to NOK 394 (362) million in the second quarter and represented 26.3 (43.8) per cent of total income.

Expenses, NOK millions	2Q23	1Q23	2Q22	YTD 2023	YTD 2022
Personnel expenses	201	200	185	400	368
Depreciation and amortisation	23	23	22	44	47
ICT expenses	79	81	74	160	150
Marketing expenses	23	19	22	42	42
Operating expenses from real estate	17	19	13	36	30
Other expenses	52	52	46	106	86
Total operating expenses	394	394	362	789	722

In 2023, SpareBank 1 Østlandet aims to keep the growth in the parent bank's operating expenses to under 5.0 per cent.

As at 30.6.2023, the parent bank's growth in operating expenses compared with the same period last year amounted to NOK 66 million, which corresponds to an increase of 9.2 per cent.

The growth in costs was mainly due to an increase in personnel costs as a result of wage growth and increased staffing, as well as ICT costs. Furthermore, the item "other operating expenses" increased due to, among other things, more travel following the reopening after the pandemic and increased losses on receivables, partly as a result of the introduction of the new Financial Contracts Act.

As at 30.6.2023, the parent bank employed 753 (700) FTEs.

Impairment losses on loans and guarantees

In the second quarter, the parent bank saw losses of NOK 77 million (net reversal on losses of NOK 61 million).

Model-generated provisions for credit losses (Stage 1 and Stage 2) increased by NOK 40 million due to a change in ECL due to adjustments to key assumptions and the effects of the period's growth and migration. The change in individual provisions for credit losses (Stage 3) resulted in loss costs of NOK 33 million, while the period's net realised losses amounted to NOK 4 million.

For more detailed information about provisions for credit losses, see Note 2 "Accounting policies", Note 9 "Impairment losses on loans and liabilities" and Note 12 "Provisions for credit losses on loans and liabilities".

Financial strength and capital adequacy

As at 30.6.2023, the parent bank's equity totalled NOK 18.7 (17.5) billion and represented 10.8 (10.4) per cent of total capital. The leverage ratio was 9.9 (9.5) per cent.

As at 30.6.2023, the parent bank's Common Equity Tier 1 capital ratio was 22.6 (22.6) per cent. The Tier 1 capital and Tier 2 capital ratios were 23.9 (24.0) per cent and 25.6 (25.7) per cent, respectively.

Result from core operations

The result from core operations is defined as the profit before loan losses, excluding securities effects and dividends.

Result from core operations, NOK millions	2Q23	1Q23	2Q22	YTD 2023	YTD 2022
Net interest income	804	777	583	1 581	1 112
Net commission/other operating income	246	238	255	483	498
Total operating costs	394	394	362	789	722
Result from core operations	655	621	476	1 276	887

The result from core operations for the second quarter was NOK 655 (476) million. The result from core operations increased by NOK 179 million from the same quarter last year, equivalent to growth of 37.5 per cent.

The improvement in the result was due to higher net interest income, while higher operating expenses, and lower net commissions and other operating income made negative contributions.

Subsidiaries

SpareBank 1 Finans Østlandet AS – consolidated figures

Figures in NOK millions	2Q23	1Q23	2Q22	YTD 2023	YTD 2022
Net interest income	51	82	53	132	111
Net commission and other op. income	39	22	27	61	56
Net income from associates	-7	-7	-8	-13	-12
Total operating expenses	28	27	24	54	51
Losses on loans and guarantees	9	5	2	14	0
Pre-tax operating profit	46	66	45	111	104
Tax expense	13	18	13	31	29
Profit after tax	33	48	32	80	75

The financing company SpareBank 1 Finans Østlandet AS (85.1 per cent stake) posted a consolidated profit after tax for the second quarter of NOK 33 (32) million. The improvement in the profit from the same quarter last year was due to increased commissions and other income. Increased operating expenses and higher loss charges, in particular, pulled in the opposite direction. The investment in SpareBank 1 Mobilitet Holding AS also resulted in a profit contribution of NOK -7 (-8) million in the second quarter.

As at 30.6.2023, gross lending to customers amounted to NOK 11.7 (10.3) billion and the growth in lending in the past 12 months was 13.4 (13.9) per cent.

EiendomsMegler 1 Innlandet AS

Amount in NOK millions	2Q23	1Q23	2Q22	YTD 2023	YTD 2022
Total operating income	39	30	39	69	67
Total operating expenses	37	34	35	70	67
Net financial expenses	1	1	0	2	1
Pre-tax operating profit	2	-4	4	-3	0
Tax expense	0	-1	1	-1	0
Profit after tax	1	-3	3	-2	0
Market share of sale of used homes	26.2 %	26.5 %	27.1 %	26.3 %	26.1 %
Number of used homes sold	336	279	376	615	645
Number of new homes sold	35	15	50	50	94

EiendomsMegler 1 Innlandet AS posted earnings of NOK 39 (39) million and a profit after tax of NOK 1 (3) million for the second quarter. The reduction in profit was mainly due to higher costs.

The number of used homes sold by the company decreased by 10.6 per cent in the second quarter compared with the second quarter last year, while the number of new homes sold by the company fell by 30.0 per cent. The market share for sales of used homes was 26.2 (27.1) per cent.

The number of used homes put on the market in the company's market area in the second quarter was 1 652 (1 569). This represents an increase of 5.3 per cent. The number of sold used homes ended at 1 267 (1 414) homes in the same period, which corresponds to a decrease of 10.4 per cent. As at

30.6.2023, the 12-month growth in house prices in Innlandet County was negative at -2.3 per cent.

EiendomsMegler 1 Oslo Akershus AS – consolidated figures

Amount in NOK millions	2Q23	1Q23	2Q22	YTD 2023	YTD 2022
Total operating income	57	45	61	102	109
Total operating expenses	52	48	52	100	98
Net financial expenses	0	0	1	0	1
Pre-tax operating profit	5	-3	9	3	10
Tax expense	1	-1	2	1	2
Profit after tax	4	-2	7	2	8
Market share of sale of used homes	8.3 %	8.4 %	8.8 %	8.2 %	8.8 %
Number of used homes sold	691	551	817	1 242	1 427
Number of new homes sold	63	66	99	129	197

The EiendomsMegler 1 Oslo Akershus Group posted earnings of NOK 57 (61) million and a profit after tax of NOK 4 (7) million for the second quarter.

The number of used homes sold by the company decreased by 15.4 per cent in the second quarter compared with the second quarter last year, while the number of new homes sold by the company fell by 36.4 per cent. The market share for sales of used homes was 8.3 (8.8) per cent.

Housing sales in the company's market area were characterised by good activity in the first half of the year compared with the first half of 2022.

In the first half of the year, house prices rose 6.4 per cent, seasonally adjusted, while the 12-month growth in house prices in Oslo as at 30.6.2023 was -0.1 per cent.

SpareBank 1 ForretningsPartner Østlandet AS – consolidated figures

Amount in NOK millions	2Q23	1Q23	2Q22	YTD 2023	YTD 2022
Total operating income	37	38	52	76	108
Total operating expenses	34	38	57	72	106
Net financial expenses	1	1	0	1	1
Pre-tax operating profit	2	0	-6	2	0
Tax expense	0	1	0	0	1
Profit after tax	3	-1	-6	2	-1

The figures for 2022 incl. the consultancy part of TheVIT AS until 23.08.2022

On 23.8.2022, SpareBank 1 Østlandet sold its entire stake in the consultancy component of TheVIT AS. The payroll and accounting business was taken over in its entirety by SpareBank 1 Østlandet, at the same time as the company changed its name to SpareBank 1 ForretningsPartner Østlandet AS. The company's income and cost bases were thus reduced at the same point in time.

The company posted earnings of NOK 37 (52) million and a profit after tax of NOK 3 (-6) million for the second quarter.

A focus on better resource utilisation led to the company achieving a higher invoicing ratio compared with last year.

The level of activity in the second quarter was high due to work in connection with annual accounts and tax returns.

Associated companies and joint ventures

SpareBank 1 Gruppen AS

SpareBank 1 Gruppen (12.40 per cent stake of the controlling interest) comprises the SpareBank 1 Alliance's joint product companies within insurance, claims management, and collection.

SpareBank 1 Gruppen implemented IFRS 17 and IFRS 9 on 1.1.2023. Figures for 2022 marked "*" have been restated. For more detailed information, see Note 2 "Accounting policies".

NOK million	2023	Recalculated 2022	Reported 2022
Profit after tax	-21	177	142
The controlling interest's share	-24	97	83

SpareBank 1 Gruppen posted a consolidated profit after tax of NOK -21 (177*) million for the second quarter. The controlling interest's share of the consolidated profit after tax amounted to NOK -24 (97*) million and SpareBank 1 Østlandet's share of this amounted to NOK -3 (24) million. The Group's return on equity was -0.65 per cent for the second quarter. In the second quarter, there was a major claim in Halden (nature), as well as a loss on claims reserve, a higher claims frequency and higher average claims for Fremtind's main products. The revaluation of fixed income portfolios was also negative, and real estate was written down in the second quarter due to higher interest rates.

As of 1.1.2023, a negative implementation effect on equity amounting to NOK 1 045 million was recognised upon the transition to IFRS 17 and IFRS 9, of which SpareBank 1 Østlandet's share amounted to NOK 128 million. The effect of IFRS 17 will largely be reversed over time as income is recognised in the income statement in line with the reduction of the insurance liability.

IFRS 17 is forward-looking and looks at the present value of companies' assets and liabilities at any given time, where previous accounting standards recorded income and expenses in the last reporting period.

Fremtind Forsikring posted a consolidated profit after tax of NOK 7 (233*) million, while SpareBank 1

Forsikring AS posted a profit after tax of NOK 35 (-45*) million.

SpareBank 1 Factoring AS posted a profit after tax of NOK 23 (18) million. SpareBank 1 Spleis AS posted a loss before tax of NOK -4 (-3) million.

Kreditor is a joint venture for SpareBank 1 Gruppen. It owns a 50% stake in Kreditor. Kreditor's debt recovery activities involve recovering debts on behalf of clients and purchasing portfolios of non-performing debt for recovery on its own account. Kreditor (100 per cent) posted a profit after tax of NOK 54 million. The company wrote down portfolios by NOK 51 million in the second quarter due to less recovery than expected.

SpareBank 1 Forvaltning AS

SpareBank 1 Forvaltning AS (6.26 per cent stake) was established in 2021 to improve the SpareBank 1 banks' competitiveness in the savings market. The former SpareBank 1 Kapitalforvaltning, SpareBank 1 SR Forvaltning and SpareBank 1 Verdipapirservice have been merged into the parent company SpareBank 1 Forvaltning, which also owns Odin Forvaltning AS.

SpareBank 1 Forvaltning AS posted a consolidated profit after tax of NOK 39 (54) million for the second quarter. The reduction in profit was due to increased operating expenses, mainly related to amortisation and depreciation, strategic projects and increased expenses for operating the securities services. Increased income due to higher average assets under management pulled in the opposite direction. Capital related to funds under management has increased by NOK 14 billion in 2023, and amounted to NOK 108 (93.7) billion as at 30.6.2023.

The profit contribution from the consolidated accounts of SpareBank 1 Forvaltning AS, which is included in the consolidated accounts of SpareBank 1 Østlandet, amounted to NOK 2 (4) million for the second quarter.

SpareBank 1 Boligkreditt AS

SpareBank 1 Boligkreditt AS (22.42 per cent stake) was established by the banks in the SpareBank 1 Alliance to utilise the market for covered bonds. The banks sell prime housing mortgages to the company and thereby achieve lower funding expenses.

The company posted a profit after tax of NOK 108 (-8) million for the second quarter. The improvement in the profit was mainly due to a positive contribution from financial assets and liabilities and lower commissions for the SpareBank 1 banks.

The profit contribution from SpareBank 1 Boligkreditt AS, which is included in the consolidated financial statements of SpareBank 1 Østlandet using the equity method, is adjusted for interest paid on the additional Tier 1 capital that is recognised directly in equity. The profit contribution amounted to NOK 21 (-4) million for the second quarter.

SpareBank 1 Næringskreditt AS

SpareBank 1 Næringskreditt AS (15.66 per cent stake) was established according to the same model, and with the same management, as SpareBank 1 Boligkreditt AS.

The company posted a profit after tax of NOK 16 (11) million for the second quarter. The improvement in profit was mainly due to higher net interest income. Higher loss costs pulled in the opposite direction. The profit contribution included in SpareBank 1 Østlandet's consolidated financial statements for the second quarter amounted to NOK 2 (0) million.

SpareBank 1 Kreditt AS

SpareBank 1 Kreditt AS (18.91 per cent stake) is the SpareBank 1 Alliance's joint venture for credit cards and short-term loans.

The company posted a result after tax of NOK -8 (15) million for the second quarter. The reduction in profit was mainly due to higher loss costs.

The profit contribution included in SpareBank 1 Østlandet's consolidated financial statements for the second quarter amounted to NOK -2 (3) million.

As at 30.6.2023, the total portfolio in the company was NOK 8.3 (6.6) billion. The growth came from both credit cards and repayment loans.

SpareBank 1 Betaling AS

SpareBank 1 Betaling AS (18.10 per cent stake) is the SpareBank 1 Alliance's joint undertaking for payment solutions. The company manages the SpareBank 1 Alliance's stake in Vipps AS.

The company posted a loss after tax of NOK -53 (-1) million for the second quarter. The decrease in the result was due to a larger negative contribution from Vipps AS. The profit contribution included in SpareBank 1 Østlandet's consolidated financial statements for the second quarter amounted to NOK -10 (-0.1) million.

BN Bank ASA

BN Bank ASA (9.99 per cent stake) is a nationwide bank for corporate and retail customers owned by seven of the banks in the SpareBank 1 Alliance.

BN Bank ASA posted a profit after tax of NOK 172 (139) million for the second quarter. The improvement in net income was mainly due to an increase in net interest income, while higher loss costs pulled in the opposite direction.

The profit contribution from BN Bank ASA, which is included in the consolidated accounts for SpareBank 1 Østlandet using the equity method, is adjusted for interest paid on the additional Tier 1 capital that is recognised directly in equity. The profit contribution for the second quarter amounted to NOK 16 (13) million.

For more information about the financial statements of the various companies, please see the interim reports that are available on the companies' own websites.

Outlook

The Bank's strategy for 2022-2025 is based on an ambitious goal of becoming Norway's best relationship bank. Through its day-to-day work and focused efforts within specific priority areas, SpareBank 1 Østlandet is systematically striving to achieve this ambition for the benefit of its customers, owners, employees and society in general.

At the same time, the Bank will continue to deliver on its financial targets. A long-term, stable ambition of paying out 50 per cent in dividends seeks to balance the owners' desire for dividends with the continued funding of the Bank's growth ambitions. At the same time, as the dividend policy aims to provide predictability about future dividends, it is also flexible and depends on factors such as financial performance and capital adequacy.

The Bank's target for financial strength is a regulatory capital adequacy of 1 percentage point above the regulatory requirement. At the end of the second quarter of 2023, the Bank's capital adequacy ratio was well above its financial strength target.

High underlying inflation in society has been an important contributor to the Bank's higher than desired growth in costs in recent quarters. For 2023, the Bank's ambition for the growth in costs in the parent bank was less than 5 per cent. So far in 2023, however, the growth in costs has been higher than expected, partly due to higher than expected inflation. While the Board stresses its importance, achieving the cost target, therefore, appears increasingly challenging.

The Bank's goal since 2020 has been to deliver a return on equity of 11 per cent over time. For 2023, the profitability target was adjusted upwards to a 12 per cent return on equity. The upwards revision reflects market developments and the increasing economies of scale the Bank has realised in recent years.

The strategy and financial targets must be achieved within a framework of social development that is both full of contrasts and demanding. While society has recovered from the pandemic, the war in Ukraine is taking its toll. Everyday economic life is

marked by high inflation, unpredictable fluctuations in energy prices, higher interest rates and clear signs of lower economic growth. Many households and companies are feeling elevated levels of uncertainty about the future.

Given the risk of entrenched high inflation, Norges Bank raised its policy rate in both May and June. The central bank signalled that more interest rate hikes were on the horizon, although the peak in interest rates is likely approaching. The combination of higher borrowing costs and high inflation will impact household consumption and investment. Housing mortgages account for the largest share of the Bank's loan portfolio. The decline in purchasing power makes it likely that the growth in household demand for credit will slow. At the same time, a strong labour market is insulating the housing market to some extent.

The Bank's survey of expectations and Norges Bank's regional network both show that companies in the Bank's market area are relatively pessimistic about economic developments. Corporate investment is the main driver behind the Bank's loans to the business sector. It is reasonable to assume that weaker prospects mean somewhat lower growth in corporate investments and demand for credit.

Overall, the Bank's opportunities for growth are still considered strong over the long-term, thanks to its well-established market position with high customer satisfaction, a solid capital situation, and a competent organisation present where the customer wants to meet us.

The Bank's lending practices are conservative. Nevertheless, it is likely that more customers will experience financial challenges in the time ahead, as reflected by the Bank's loss provisions in recent quarters. In such a situation, a bank with in-depth local knowledge offering good professional advice is especially useful for customers. The Bank will help with good solutions for its customers, including those experiencing tougher times. The Norwegian savings bank model has proved to be solid in challenging times. The Board of Directors is confident that both the region and the Bank are well-equipped to meet the challenges that might arise.

The Board of Directors of SpareBank 1 Østlandet

Hamar, 10 th August 2023

Income statement

Parent Bank						Group					
Year	Year to date		Second quarter				Second quarter		Year to date		Year
2022	2022	2023	2022	2023	(NOK million)	Notes	2023	2022	2023	2022	2022
4 047	1 620	3 086	862	1 592	Interest income effective interest method	5	1 646	915	3 224	1 730	4 248
620	212	646	119	341	Other interest income	5	341	119	646	212	620
2 167	720	2 150	398	1 129	Interest expenses	5	1 134	400	2 160	723	2 176
2 500	1 112	1 581	583	804	Net interest income	5	852	634	1 710	1 219	2 693
1 085	537	537	273	271	Commission income	6	378	386	733	738	1 463
101	47	62	23	30	Commission expenses	6	15	19	55	41	88
20	9	9	5	5	Other operating income	6	49	60	99	126	213
1 005	498	483	255	246	Net commissions and other operating income		412	426	777	823	1 588
43	29	28	14	10	Dividends from shares and other equity instruments	7	10	14	28	29	43
379	354	498	128	355	Net income from subsidiaries, associates and joint ventures (Parent Bank)	7					
					Net income from associates and joint ventures (Group)	7	22	20	82	36	186
-67	-85	109	-153	84	Net profit from other financial assets and liabilities	7	84	-153	109	-85	-67
356	298	635	-12	450	Net profit from financial assets and liabilities		117	-120	219	-20	162
3 861	1 908	2 700	827	1 499	Total net income		1 381	941	2 706	2 022	4 443
758	368	400	185	201	Personnel expenses	8	297	297	592	584	1 153
88	44	46	22	23	Depreciation	8	29	36	63	67	122
638	310	342	155	170	Other operating expenses	8	208	186	408	372	761
1 484	722	789	362	394	Total operating expenses		534	520	1 064	1 024	2 037
2 377	1 185	1 911	465	1 105	Operating profit before losses on loans and guarantees		846	421	1 642	998	2 406
19	-54	118	-61	77	Impairment losses on loans and guarantees	9	86	-59	135	-55	27
2 358	1 240	1 793	526	1 028	Pre-tax operating profit		760	480	1 507	1 053	2 379
376	134	244	113	166	Tax expense		181	130	276	168	431
1 982	1 106	1 549	412	862	Profit after tax		579	350	1 231	885	1 948
Attributable to additional Tier 1 Capital holders							17	11	32	21	47
Profit after tax for controlling interest							557	334	1 185	856	1 880
Profit after tax for non-controlling interest							6	5	14	8	21
Profit after tax							579	350	1 231	885	1 948
Earnings/diluted earnings per equity certificate (in NOK)							3.37	2.02	7.17	5.18	11.37
Earnings/diluted earnings per average equity certificate (in NOK)							3.37	2.02	7.17	5.18	11.37

Statement of other comprehensive income

Parent Bank						Group				
Year	Year to date		Second quarter			Second quarter		Year to date		Year
2022	2022	2023	2022	2023	(NOK million)	2023	2022	2023	2022	2022
1 982	1 106	1 549	412	862	Profit after tax	579	350	1 231	885	1 948
2	0	0	0	0	0 Actuarial gains/losses on pensions	0	0	0	0	2
0	0	0	0	0	0 Tax effects of actuarial gains/losses on pensions	0	0	0	0	0
13	9	1	4	0	0 Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk	0	4	1	9	13
-3	-2	0	-1	0	0 Tax effects related to the above	0	-1	0	-2	-3
					Share of other comprehensive income from associated companies and joint ventures	0	19	1	35	23
11	6	1	3	0	0 Total items that will not be reclassified through profit or loss	1	22	2	41	34
					Net fair value adjustments on loans at fair value through other comprehensive income	1	-11	-6	-11	-10
-10	-11	-6	-11	1	0 Tax effects related to the above	0	3	1	3	2
2	3	1	3	0	3 Fair value changes on hedge derivatives due to changes in the currency basis spread	3	6	-10	47	64
64	47	-10	6	3	-1 Tax effects related to the above	-1	-2	2	-12	-16
-16	-12	2	-2	-1	Share of other comprehensive income from associates and joint ventures	13	19	-3	101	115
41	27	-12	-3	3	3 Total items that will be reclassified through profit or loss	16	16	-15	129	156
52	34	-11	0	4	4 Total profit and loss items recognised in equity	17	38	-13	170	190
2 034	1 140	1 538	412	866	Total profit/loss for the period	597	387	1 218	1 055	2 138
					Attributable to additional Tier 1 Capital holders	17	11	32	21	47
					Total profit/loss for the period for controlling interest	574	372	1 173	1 026	2 070
					Total profit/loss for the period for non-controlling interest	6	5	14	8	21
					Total profit/loss for the period	597	387	1 218	1 055	2 138

Balance sheet

Parent Bank				Group			
31 Dec. 2022	30 Jun. 2022	30 Jun. 2023	NOK million	Notes	30 Jun. 2023	30 Jun. 2022	31 Dec. 2022
ASSETS							
677	294	612	Cash and deposits with central banks		612	294	677
11 749	10 934	13 946	Loans to and receivables from credit institutions	10	4 063	2 283	2 694
119 612	118 392	118 756	Loans to and receivables from customers	11, 12	130 282	128 558	130 405
26 351	27 653	29 657	Certificates, bonds and fixed-income funds	14	29 657	27 653	26 351
1 855	1 794	2 454	Financial derivatives	13, 14	2 454	1 794	1 855
791	776	807	Shares and other equity interests	14	807	776	791
4 838	4 778	5 009	Investments in associates and joint ventures		5 771	5 678	5 875
1 865	1 689	1 865	Investments in subsidiaries		0	0	0
76	92	71	Goodwill and other intangible assets		343	393	353
450	440	463	Property, plant and equipment		634	611	619
529	551	498	Other assets		828	838	798
168 794	167 392	174 137	Total assets		175 449	168 877	170 419
LIABILITIES							
3 315	3 473	4 265	Deposits from and liabilities to credit institutions	10	4 263	3 471	3 296
98 911	100 056	105 950	Deposits from and liabilities to customers	15	105 881	100 005	98 813
43 296	42 268	39 963	Liabilities arising from issuance of securities	14, 16	39 963	42 268	43 296
2 587	1 927	2 596	Financial derivatives	13, 14	2 596	1 927	2 587
164	157	215	Current tax liabilities		218	222	211
257	0	279	Deferred tax liabilities		402	124	383
641	756	737	Other debt and liabilities recognised in the balance sheet		850	888	727
1 308	1 303	1 411	Subordinated loan capital	16	1 411	1 303	1 308
150 478	149 940	155 415	Total liabilities		155 584	150 207	150 622
EQUITY CAPITAL							
5 791	5 791	5 791	Equity capital certificates		5 791	5 791	5 791
848	848	848	Premium fund		848	848	848
4 361	4 560	5 407	Dividend equalisation fund		5 407	4 560	4 361
788	0	0	Allocated to dividends and other equity capital		0	0	788
4 689	4 774	5 136	Primary capital		5 136	4 774	4 689
337	0	0	Allocated to dividends customer return		0	0	337
16	20	41	Provision for gifts		41	20	16
486	459	498	Fund for unrealised gains		498	459	486
1 000	1 000	1 000	Hybrid capital		1 000	1 000	1 000
0	0	0	Other equity		865	1 032	1 195
			Non-controlling interests		278	186	286
18 316	17 452	18 722	Total equity capital		19 865	18 670	19 797
168 794	167 392	174 137	Total equity capital and liabilities		175 449	168 877	170 419

Changes in equity capital

Group

(NOK million)	Controlling interests									
	Paid-up equity		Earned equity capital							Total equity capital
	Equity certificates	Premium fund	Primary capital ¹⁾	Dividend equalisation funds ²⁾	Provision for gifts	Fund for unrealised gains	Other equity	Hybrid-capital	Non-controlling interests	
Equity capital as of 31 December 2021	5 791	848	4 739	4 471	21	460	1 260	1 000	116	18 706
Implementation effects IFRS 17 SpareBank1 Gruppen ³⁾							-149			-149
OB Corr. in group companies							1			1
Adjusted equity capital at 1 January 2022	5 791	848	4 739	4 471	21	460	1 112	1 000	116	18 558
Profit after tax			332	775		-1	-229		8	885
Other comprehensive income										
Actuarial gains after tax on pensions			0	0						0
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax			2	5						7
Net fair value adjustments on loans at fair value through other comprehensive income after tax			-3	-6						-8
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax			11	25						36
Share of other comprehensive income from associated companies and joint ventures ³⁾							136			136
Total profit after tax			342	799		-1	-93		8	1 055
Other transactions										
Dividend paid			-295	-695					-10	-1 000
Donations distributed from profit 2020			-6							-6
Grants from provision for gifts in 2021					-1					-1
Hybrid capital										0
Interest on hybrid capital			-6	-14						-21
Addition of non-controlling interest									71	71
Effects directly in equity from associated companies and joint ventures							13			13
Equity capital as of 30 June 2022	5 791	848	4 774	4 560	20	459	1 032	1 000	186	18 670
<i>1) Amounts transferred to primary capital as of 31.12.2022 include provisioned customer dividends and proposed gifts.</i>										
<i>2) Amounts transferred to dividend equalization funds as of 31.12.2022 include provisioned dividends.</i>										
<i>3) Refers to note 2 Accounting principles for further information</i>										
Equity capital as of 31 December 2021	5 791	848	4 739	4 471	21	460	1 260	1 000	116	18 706
Implementation effects IFRS 17 SpareBank1 Gruppen ³⁾							-149			-149
OB Corr. in group companies							1			1
Adjusted equity capital at 1 January 2022	5 791	848	4 739	4 471	21	460	1 112	1 000	116	18 558
Profit after tax			586	1 369		26	-55		21	1 948
Other comprehensive income										
Actuarial gains after tax on pensions			0	1						1
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax			3	7						10
Net fair value adjustments on loans at fair value through other comprehensive income after tax			-2	-5						-7
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax			15	34						48
Share of other comprehensive income from associated companies and joint ventures ³⁾							138			138
Total profit after tax			602	1 405		26	83		21	2 138
Other transactions										
Dividend paid			-296	-695					-10	-1 001
Donations distributed from profit 2021			-6							-6
Grants from provision for gifts in 2022					-5					-5
Hybrid capital								0		0
Interest on hybrid capital			-13	-33						-47
Net addition of non-controlling interest									158	158
Effects directly in equity from associated companies and joint ventures							1			1
Equity capital as of 31 December 2022	5 791	848	5 026	5 148	16	486	1 196	1 000	286	19 797
<i>3) Refers to note 2 Accounting principles for further information</i>										

Equity capital as of 31 Desember 2022	5 791	848	5 026	5 148	16	486	1 196	1 000	286	19 797
Profit after tax			460	1 076		12	-331		14	1 231
Other comprehensive income										
Actuarial gains after tax on pensions			0	0						0
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax			0	1						1
Net fair value adjustments on loans at fair value through other comprehensive income after tax			-1	-3						-4
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax			-2	-5						-7
Share of other comprehensive income from associated companies and joint ventures							-2			-2
Total profit after tax			457	1 069		12	-333		14	1 218
Other transactions										
Dividend paid			-306	-787					-22	-1 115
Donations distributed from profit 2022			-31							-31
Grants from provision for gifts in 2023					25					25
Hybrid capital								0		0
Interest on hybrid capital			-10	-22						-32
Effects directly in equity from associated companies and joint ventures							3			3
Equity capital as of 30 June 2023	5 791	848	5 136	5 407	41	498	865	1 000	278	19 865

Parent Bank

(NOK million)

	Paid-up equity		Earned equity capital				Hybrid-capital	Total equity capital
	Equity certificates	Premium fund	Primary capital ¹⁾	Dividend equalisation funds ²⁾	Provision for gifts	Fund for unrealised gains		
Equity capital as of 1 January 2022	5 791	848	4 739	4 471	21	460	1 000	17 330
Profit after tax			332	775		-1		1 106
Other comprehensive income								
Actuarial gains after tax on pensions			0	0				0
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax			2	5				7
Net fair value adjustments on loans at fair value through other comprehensive income after tax			-3	-6				-8
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax			11	25				36
Total profit after tax			342	799		-1		1 140
Other transactions								
Dividend paid			-295	-695				-990
Donations distributed from profit 2021			-6					-6
Grants from provision for gifts in 2022					-1			-1
Hybrid capital								0
Interest on hybrid capital			-6	-14				-21
Equity capital as of 30 June 2022	5 791	848	4 774	4 560	20	459	1 000	17 452

1) Amounts transferred to primary capital as of 31.12.2022 include provisioned customer dividends and proposed gifts.

2) Amounts transferred to dividend equalization funds as of 31.12.2022 include provisioned dividends.

Equity capital as of 1 January 2022	5 791	848	4 738	4 471	21	460	1 000	17 330
Profit after tax			586	1 369		26		1 982
Other comprehensive income								
Actuarial gains after tax on pensions			0	1				1
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax			3	7				10
Net fair value adjustments on loans at fair value through other comprehensive income after tax			-2	-5				-7
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax			15	33				48
Total profit after tax			602	1 405		26		2 034
Other transactions								
Dividend paid			-295	-695				-990
Donations distributed from profit 2021			-6					-6
Grants from provision for gifts in 2022					-5			-5
Hybrid capital								0
Interest on hybrid capital			-13	-33				-47
Equity capital as of 31 Desember 2022	5 791	848	5 026	5 148	16	486	1 000	18 316

Equity capital as of 1 January 2023	5 791	848	5 026	5 148	16	486	1 000	18 316
Profit after tax			460	1 076		12		1 549
Other comprehensive income								
Actuarial gains after tax on pensions			0	0				0
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax			0	1				1
Net fair value adjustments on loans at fair value through other comprehensive income after tax			-1	-3				-4
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax			-2	-5				-7
Total profit after tax			457	1 069		12		1 538
Other transactions								
Dividend paid			-306	-787				-1 094
Donations distributed from profit 2022			-31					-31
Grants from provision for gifts in 2023 (net)					25	0		25
Hybrid capital								0
Interest on hybrid capital			-10	-22				-32
Equity capital as of 30 June 2023	5 791	848	5 136	5 407	41	498	1 000	18 722

Cash flow statement

Parent Bank				Group		
31 Dec. 2022	30 Jun. 2022	30 Jun. 2023	(NOK million)	30 Jun. 2023	30 Jun. 2022	31 Dec. 2022
-8 151	-6 874	778	Change in gross lending to customers	37	-7 660	-9 567
3 878	1 594	2 860	Interest receipts from lending to customers	3 251	1 812	4 398
6 665	7 810	7 039	Change in deposits from customers	7 068	7 827	6 635
-1 021	-306	-1 144	Interest payments on deposits from customers	-1 149	-309	-1 028
-2 133	-1 441	-1 571	Change in receivables and debt from credit institutions	-725	-503	-808
267	82	248	Interest on receivables and debt to financial institutions	9	-7	-16
-2 704	-3 921	-3 306	Change in certificates and bonds	-3 259	-3 921	-2 704
169	80	561	Interest receipts from commercial papers and bonds	561	80	169
1 005	255	483	Net commission receipts	777	395	1 546
80	17	45	Capital gains from sale on trading	45	17	80
-1 396	-340	-742	Payments for operations	-1 000	-483	-1 914
-641	-640	-167	Taxes paid	-199	-680	-690
-30	-321	436	Other accruals	233	-366	-10
-4 013	-4 006	5 520	Net change in liquidity from operations (A)	5 649	-3 799	-3 909
-79	-25	-54	Investments in tangible fixed assets	-40	-32	10
0	0	0	Receipts from sale of tangible fixed assets	0	21	42
-198	-142	-170	Change in long-term investments in equities	-170	-142	-262
399	365	521	Dividends from long-term investments in equities	381	153	186
122	199	298	Net cash flow from investments (B)	171	2	-24
11 341	7 872	2 000	Debt raised by issuance of securities	2 000	7 872	11 341
0	0	500	Debt raised by subordinated loan capital	500	0	0
0	0	0	Equity raised by hybrid capital	0	0	0
-4 381	-2 201	-6 222	Repayments of issued securities	-6 222	-2 201	-4 381
0	0	-400	Repayments of issued subordinated loan capital	-400	0	0
0	0	0	Repayments of hybrid capital	0	0	0
0	0	0	Payments arising from issuance of equity capital certificates	0	0	0
-776	-342	-933	Interest payments on securities issued	-935	-342	-776
-43	-16	-41	Interest payments on subordinated loans	-41	-16	-43
-40	-19	-20	Lease payments	-20	-20	-40
-40	0	0	Payments arising from placements in subsidiaries	0	0	13
-695	-695	-788	Payment of dividend	-788	-705	-705
-298	-292	-303	Payment of customer dividend	-303	-292	-298
-15	-1	1	Donations	1	-1	-15
5 052	4 305	-6 207	Net cash flow from financing (C)	-6 209	4 294	5 095
1 161	497	-389	CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	-389	497	1 161
964	964	2 125	Cash and cash equivalents at 1 January	2 125	964	964
2 125	1 460	1 736	Cash and cash equivalents at the end of the period	1 736	1 460	2 125
			Cash and cash equivalents at comprise:			
677	294	612	Cash and deposits with central banks	612	294	677
1 448	1 167	1 124	Deposits etc. at call with banks	1 124	1 167	1 448
2 125	1 460	1 736	Cash and cash equivalents at the end of the period	1 736	1 460	2 125

Notes to the accounts

Note 1 General information

The group Sparebank 1 Østlandet consists of the parent bank SpareBank 1 Østlandet and the following companies:

Subsidiaries	Ownership share (%) as of 30 June 2023
Sparebank 1 Finans Østlandet AS	85.10
EiendomsMegler 1 Innlandet AS	100.00
EiendomsMegler 1 Oslo Akershus AS	100.00
Youngstorget 5 AS	100.00
AS Vato	100.00
SpareBank 1 ForretningsPartner Østlandet Holding AS	100.00
Investments in second tier subsidiaries	
EiendomsMegler 1 Oslo AS	100.00
SpareBank 1 ForretningsPartner Østlandet AS	100.00
Investments in associated companies	
SpareBank 1 Kreditt AS	18.91
SpareBank 1 Boligkreditt AS	22.42
SpareBank 1 Næringskreditt AS	15.66
SpareBank 1 Betaling AS	18.10
BN Bank ASA	9.99
SpareBank 1 Forvaltning AS	6.26
SpareBank 1 Bank og Regnskap AS	25.00
SpareBank 1 Gjeldsinformasjon AS	14.68
Investments in associated companies in subsidiaries	
SpareBank 1 Mobilitet Holding AS*	30.66
Investments in joint ventures	
SpareBank 1 Gruppen AS	12.40
SpareBank i Utvikling DA	18.00

* SpareBank 1 Mobilitet Holding AS owns 47.17 per cent in the car subscription company Fleks AS.
Indirect ownership in Fleks AS is 14.46 per cent.

Changes in group composition in 2023

Second quarter

There have been no change in the group's structure in the second quarter.

First quarter

A rebalancing of the shares in SpareBank 1 Kreditt AS in accordance with the shareholder agreement resulted in a reduction of the ownership interest from 19.24 per cent to 18.91 per cent in the first quarter.

SpareBank 1 Kundepleie AS was dissolved and liquidated in the first quarter.

Note 2 Accounting principles

2.1 Basis for preparation

SpareBank 1 Østlandet prepares its interim reports in accordance with the Stock Exchange Regulations, stock exchange rules and International Financial Reporting Standards (IFRS) as approved by the EU, including IAS 34 – Interim Financial Reporting. The presentation currency is NOK (Norwegian kroner), which is also the functional currency of all the units in the Group. All amounts are in NOK million unless otherwise stated. The interim financial statements do not include all the information required in full annual financial statements and should be read in conjunction with the financial statements for 2022.

Finance leases

At the time of implementation, loans are recognised at an amount equal to the net investment and presented in the balance sheet statement as part of 'Loans to and receivables from customers'. Direct costs from entering into the lease are included in the initial measurement of the net investment and reduce the income amount recognised during the lease term.

Commission expenses and registration fees were reclassified in the second quarter of 2023 such that they are now included in the initial measurement of the net investment. This reduced net interest income and increased net commissions and other operating income by NOK 10 million in the second quarter of 2023.

Figures in NOK millions	2Q23	1Q23	YTD 2023
Net interest income	852	857	1 710
Reclassification effect	10	-10	0
Proforma net interest income	862	847	1 710
Net money transfer fees	89	49	138
Reclassification effect	-12	12	0
Proforma net money transfer fees	77	61	138
Other operating income	37	40	77
Reclassification effect	2	-2	0
Proforma other operating income	39	38	77

New standards and interpretations that have been applied:

The Group has applied the same accounting policies and methods of calculation in this interim report as in the last annual financial statements, with the exception of the implementation of the standards described below.

IFRS 17 Insurance Contracts

IFRS 17 Insurance contracts will replace IFRS 4 Insurance contracts and set out principles for accounting, measuring, presentation and information on insurance contracts. The purpose of the new standard is to eliminate differing practices in the accounting treatment of insurance contracts, and the main features of the new model are as follows:

- An estimate of the present value of future cash flows for a group of insurance contracts. Future cash flows include future premium receipts and payments of insurance settlements, compensation and other payments to policyholders. The estimate must take account of an explicit adjustment for risk and the estimates must be based on conditions on the balance sheet date.
- A contractual service margin equal to the day one gain in the estimate of the present value of future cash flows from a group of insurance contracts. This corresponds to the profit element in the insurance contracts, which must be recognised over the service period, that is, over the insurance contracts' period of coverage.

- Certain changes to the estimate of the present value of future cash flows are adjusted against the contractual service margin and are thereby recognised through profit and loss over the remaining period covered by the relevant contracts.
- The effect of changes in the discount rate must, as an accounting policy choice, be presented either through ordinary net profit or loss or in other income and expenses.

IFRS 17 has been applied retrospectively and comparable figures are provided. The effective date is 01.01.2023.

IFRS 9 Financial Instruments

The standard entered into force on 1.1.2018. Institutions that mainly carry out insurance activities were given temporary permission to postpone implementation of IFRS 9 until the new standard for insurance contracts came into force on 1.1.2023.

Implementation effects of IFRS 17/IFRS 9

The effect on SpareBank 1 Østlandet's equity due to the associated company SpareBank 1 Gruppen's implementation of these standards on 1.1.2022 was NOK 149 million in reduced equity. The result for 2022 from SpareBank 1 Gruppen has been restated in line with IFRS 17/IFRS 9. This resulted in an increase in the result of NOK 20 million, meaning that the effect on equity as at 31.12.2022 was NOK -128 million.

The result for the second quarter of 2022 from SpareBank 1 Gruppen has been restated in line with IFRS 17/IFRS 9 and this resulted in an increase of NOK 28 million, meaning that the effect on equity as at 30.06.2022 was NOK -120 million. The Group's ordinary result for 2022 and other key metrics have not been restated. The result effect has been restated in other comprehensive income.

The table below shows SpareBank 1 Østlandet's share of the implementation effects upon restatement of the total profit and equity.

IFRS 17/IFRS 9 effect for second quarter 2022:

Equity, Group, as at 1.1.2022 before implementation	18 706
Implementation of IFRS 17/IFRS 9	-149
Total result effect first quarter 2022 as a result of the implementation of IFRS17/IFRS9	15
Total result effect second quarter 2022 as a result of the implementation of IFRS17/IFRS9	14
IFRS 17/IFRS 9 implementation effect on equity	-120
Other changes in equity second quarter 2022	84
Equity, Group, as at 30.06.2022	18 670
 Consolidated total profit after tax for second quarter 2022	 374
Effect of implementation of IFRS 17/IFRS 9	14
Changed consolidated total profit after tax for second quarter 2022	387
 Consolidated total profit after tax as at 30.06.2022	 1 027
Effect of implementation of IFRS 17/IFRS 9	28
Changed consolidated total profit after tax as at 30.06.2022	1 055

2.2 Important accounting estimates and discretionary assessments

In preparing consolidated financial statements, management makes estimates, discretionary assessments and assumptions which influence the effect of applying the accounting policies. This will in turn affect the recognised amounts for assets, liabilities, income and costs. Note 3 of the annual financial statements for 2022 explains in more detail critical estimates and assessments in relation to the application of accounting policies.

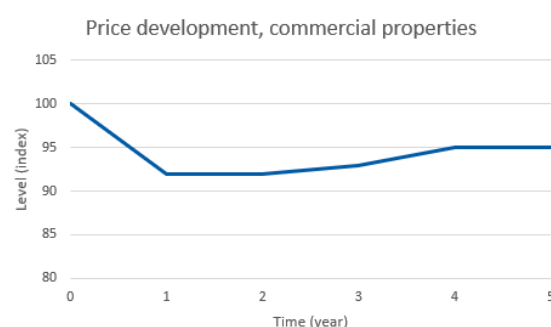
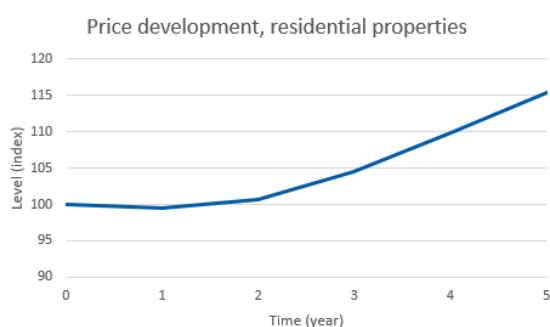
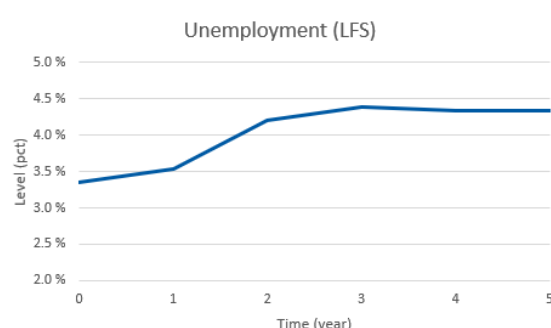
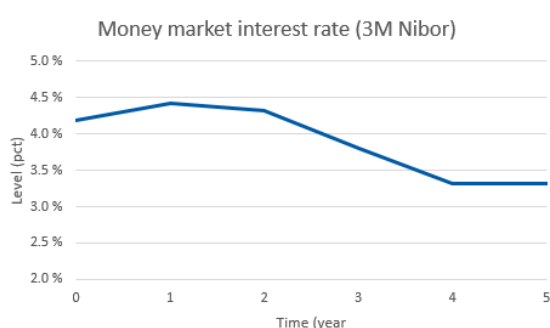
Losses on loans

Please see Note 2 'Accounting Policies' in the annual financial statements for 2022 for a detailed description of the applied loss model pursuant to IFRS 9. The model contains several critical estimates. The most important is related to the definition of significantly increased credit risk and important assumptions in the general loss model.

The definition of significantly increased credit risk remains unchanged since the last annual financial statements. Please see the section on 'Significantly increased credit risk' in Note 3 of the annual financial statements for 2022.

The Bank's loan loss model proposes key assumptions for calculating expected credit loss (ECL) using regression analysis and simulation. Future default levels (PD) are predicted based on the expected development in the money market interest rate and unemployment. Future levels of loss given default (LGD) are simulated based on collateral values and expectations of price development of various collateral objects. Norges Bank's periodic reports, Monetary Policy Report and Financial Stability, are chosen as the primary sources for explanatory variables such as interest rate, unemployment and expected property price development.

The management's estimates and discretionary assessments regarding expected development of default and loss levels (PD and LGD) as of 30 June 2023, were largely based on macro forecasts from the Monetary Policy Report (MPR) 2/2023 and Financial Stability (FS) 1/2023. MPR 2/2023 predicts a rising unemployment rate at approximately the same pace as previously forecasted. The interest rate path was also raised to some extent. The expected price development for residential properties is nearly flat in the short term, but the estimates for housing prices are slightly higher than those assumed in the previous quarter. In FS 1/2023, Norges Bank expresses expectations of a moderate decline in commercial property prices followed by a relatively flat development. The figures below illustrate the development of these macro assumptions in the expected scenario.



As of 30 June 2023, the Bank's assessment was that the changes in macro forecasts, compared to the corresponding figures as of 31 March 2023, overall indicated moderately higher default levels and nearly the same levels of loss given default.

The scenario weighting is subject to ongoing assessment based on available information. At the outbreak of the corona pandemic, the Bank saw an increased probability of the downside scenario and raised the scenario weighting from 15 to 20 per cent as at 31 March 2020. The increased downside risk given by the corona pandemic was as at 31 March 2022 considered to no longer be required. However, the Bank chose to keep the scenario weights unchanged due to the increased uncertainty associated with the effects of the war in Ukraine. As at 30 June 2022, the Bank considered that the general uncertainty related to the economic effects of the war had been reduced and that the expected negative effects of the war, especially with regard to higher cost growth, were to a large extent included in the expected scenario. Consequently, the weighting of the downside scenario was reduced to 15 per cent, with a corresponding upward adjustment of the expected scenario to 75 per cent. Subsequently, the Bank has found it appropriate to keep the scenario weighting unchanged. ECL as at 30 June 2023 was therefore calculated as a combination of 75 per cent expected scenario, 15 per cent downside scenario and 10 per cent upside scenario (75/15/10 per cent).

The table below shows the calculated expected credit losses for the three scenarios in isolation. The calculations are divided into the main segments retail customers and corporate customers, which are totalled for the parent bank. The table also shows corresponding ECL calculations for the subsidiary SpareBank 1 Finans Østlandet. The ECLs of the Parent Bank and the subsidiary, adjusted for group eliminations, are totalled in the Group column. Besides the segment distributed ECLs with the scenario weighting applied, the table shows four alternative scenario weightings. The first two alternatives show previously applied scenario weightings. The last three alternatives show sensitivity to further deterioration in relation to the applied scenario weighting, with a 20-30 per cent probability of the downside scenario and an adjustment of the probability for the expected scenario (75/20/10 per cent, 65/25/10 per cent and 60/30/10 per cent).

	SpareBank 1				
	Retail market	Corporate market	Parent Bank	Finans Østlandet	Group
30 June 2023					
ECL in expected scenario	91	301	392	87	476
ECL in downside scenario	284	1 033	1 317	183	1 497
ECL in upside scenario	63	163	226	60	283
ECL with used scenario weighting 70/20/10 per cent	117	397	514	99	610
ECL with alternative scenario weighting 80/10/10 per cent	107	360	468	94	559
ECL with alternative scenario weighting 75/15/10 per cent	127	434	560	103	661
ECL with alternative scenario weighting 65/25/10 per cent	136	470	607	108	712
ECL with alternative scenario weighting 60/30/10 per cent	146	507	653	113	763

Reference is also made to Note 9 'Provisions for credit losses', where the loss cost effects per segment of the various changes in the model assumptions in isolation are shown in table form.

Note 3 Segment information

This segment information is linked to the way the Group is governed through reporting on performance and capital, authorisations and routines. Reporting on segments is divided into following areas retail market (RM), corporate market (CM) incl. organization market, real estate brokerage, leasing, accounting and consulting services and other operations.

Reviews:

- Real estate brokerage, leasing, financing and accounting are organised as independent companies.
- Tax expense for RM and CM is calculated as 25 per cent of the segment's share of Pre-tax operating profit and then deducted with the segment's share of the taxeffect in relation to customer dividends.
- Operating expenses in RM and CM includes its share of shared expences.
- Net commission and other income in RM and CM includes its share for shared income.
- Group eliminations arise together with other operations in a seperate column.

	Retail division	Corporate division	SpareBank 1 Finans Østlandet Group	Eiendoms- Megler 1 Innlandet AS	Eiendoms- Megler 1 Oslo Akershus Group	SpareBank 1 Forretnings- Partner Østlandet Group	Other operations/ eliminations	Total
30 June 2023								
Income statement								
Net interest income	668	767	132	-2	0	-1	144	1 710
Net commissions and other operating income	375	114	61	69	102	76	-20	777
Net profit from financial assets and liabilities	8	32	-13	0	0	0	192	219
Total operating expenses	512	254	54	70	100	72	1	1 064
Profit before losses by segment	539	659	126	-3	3	2	316	1 642
Impairment losses on loans and guarantees	20	101	14	0	0	0	0	135
Pre-tax operating profit	520	559	111	-3	3	2	316	1 507
Tax expense	95	136	31	-1	1	0	14	276
Profit/loss per segment after tax	424	423	80	-2	2	2	302	1 231
Balance sheet								
Gross lending to customers	73 239	46 285	11 686	0	0	0	-395	130 814
Provisions for credit losses	-62	-371	-99	0	0	0	0	-532
Other assets	2 968	1 073	230	94	138	135	40 528	45 167
Total assets per segment	76 145	46 987	11 817	94	138	135	40 132	175 449
Deposits from and liabilities to customers	60 415	45 440	0	0	0	0	26	105 881
Other liabilities and equity	15 730	1 547	11 817	94	138	135	40 107	69 568
Total equity capital and liabilities per segment	76 145	46 987	11 817	94	138	135	40 132	175 449

	Retail division	Corporate division	SpareBank 1 Finans Østlandet Group	Eiendoms- Megler 1 Innlandet AS	Eiendoms- Megler 1 Oslo Akershus Group	TheVIT AS	Other operations/ eliminations	Total
30 June 2022								
Income statement								
Net interest income	491	560	111	1	-1	-1	58	1 219
Net commissions and other operating income	393	106	56	67	109	108	-16	823
Net profit from financial assets and liabilities	24	27	-12	0	0	0	-59	-20
Total operating expenses	468	240	51	67	98	106	-6	1 024
Profit before losses by segment	440	453	105	0	10	0	-10	998
Impairment losses on loans and guarantees	-24	-31	0	0	0	0	0	-55
Pre-tax operating profit	464	484	104	0	10	0	-10	1 053
Tax expense	81	117	29	0	2	1	-63	168
Profit/loss per segment after tax	383	367	75	0	8	-1	53	885

Balance sheet

Gross lending to customers	77 267	41 692	10 308	1	0	0	-324	128 944
Provisions for credit losses	-47	-250	-88	0	0	0	-1	-386
Other assets	2 959	795	204	84	148	140	35 988	40 319
Total assets per segment	80 179	42 237	10 425	85	148	140	35 663	168 877
Deposits from and liabilities to customers	56 259	43 667	0	0	0	0	79	100 005
Other liabilities and equity	23 920	-1 430	10 425	85	148	140	35 585	68 872
Total equity capital and liabilities per segment	80 179	42 237	10 425	85	148	140	35 663	168 877

	Retail division	Corporate division	SpareBank 1 Finans Østlandet Group	Eiendoms- Megler 1 Innlandet AS	Eiendoms- Megler 1 Oslo Akershus Group	SpareBank 1 Forretnings- Partner Østlandet Group	Other operations/ eliminations	Total
31 December 2022								
Income statement								
Net interest income	1 026	1 255	197	0	0	-3	216	2 693
Net commissions and other operating income	780	215	111	132	198	173	-21	1 588
Net profit from financial assets and liabilities	45	51	-21	0	0	0	87	162
Total operating expenses	964	490	104	129	185	174	-10	2 037
Profit before losses by segment	888	1 032	183	2	13	-5	293	2 406
Impairment losses on loans and guarantees	-23	41	9	0	0	0	0	27
Pre-tax operating profit	911	991	175	2	13	-5	293	2 379
Tax expense	157	240	49	1	3	0	-20	431
Profit/loss per segment after tax	753	751	125	2	10	-5	312	1 948

Balance sheet

Gross lending to customers	76 379	43 850	10 937	0	0	0	-315	130 851
Provisions for credit losses	-49	-305	-92	0	0	0	-1	-446
Other assets	2 932	670	238	82	131	131	35 830	40 014
Total assets per segment	79 261	44 215	11 083	82	131	131	35 515	170 419
Deposits from and liabilities to customers	55 531	43 261	0	0	0	0	20	98 813
Other liabilities and equity	23 730	954	11 083	82	131	131	35 494	71 606
Total equity capital and liabilities per segment	79 261	44 215	11 083	82	131	131	35 515	170 419

Note 4 Capital adequacy

Regulatory Framework

The Bank's capital adequacy is calculated on the basis of the applicable rules and rates at any given time. The rules are based on the three pillars that are intended to ensure that financial undertakings have capital commensurate with their risks:

- Pillar 1: Minimum regulatory capital requirements
- Pillar 2: Evaluation of the overall capital requirements and supervisory follow-up
- Pillar 3: Requirement to publish information

Capital adequacy is calculated at three levels based on different definitions of capital:

- Common equity tier 1 ratio (CET1)
- Tier 1 capital ratio (including hybrid tier 1 capital)
- Total capital adequacy ratio (including subordinated loans)

Capital Requirements

The Group has a combined buffer requirement of 9.5 per cent as at 30 June 2023. In the combined buffer, the institution-specific buffer requirements consisting of the countercyclical buffer and the systemic risk buffer were calculated to be 2.5 per cent and 4.5 per cent, respectively, for the Group. The capital conservation buffer is 2.5 per cent.

Therefore, as at 30 June 2023, the Group's Common Equity Tier 1 capital ratio requirement, inclusive of a Pillar 2 requirement of 1.8 percentage points, was 15.8 per cent. The Bank's Common Equity Tier 1 capital ratio was thus significantly higher than the current and expected capital requirements.

The Group's long-term target for its Common Equity Tier 1 capital ratio is the regulatory requirement plus a management buffer of 100 basis points. The Group's capital targets and capital planning take account of announced and expected changes to the capital requirements.

Parent Bank				Group		
31 Dec. 2022	30 Jun. 2022	30 Jun. 2023		30 Jun. 2023	30 Jun. 2022	31 Dec. 2022
18 316	17.452	18 722	Total equity carried 1)	19 865	18.790	19 925
			Common equity tier 1 capital			
-1 125	-428	-582	Results for the accounting year not included	-582	-428	-1 125
-1 000	-1.000	-1 000	Hybrid capital	-1 000	-1.000	-1 000
			Minority interests that is not eligible as CET1 capital	-123	-92	-132
1	5	1	Cumulative gains and losses due to changes in own credit risk on fair valued liabilities	1	5	1
-62	-65	-59	Goodwill and other intangible assets	-381	-400	-402
-408	-319	-352	Positive value of expected losses under the IRB approach	-467	-429	-526
0	-	0	CET 1 instruments of financial sector entities where the institution does have a significant investment	-	-210	-302
-36	-38	-40	Value adjustments due to the requirements for prudent valuation (AVA)	-48	-48	-46
-239	-186	-239	Other adjustments in CET1	-216	-161	-231
15 447	15.421	16 452	Common equity tier 1 capital	17 049	16.027	16 162
			Additional Tier 1 capital			
1 000	1.000	1 000	Hybrid capital	1 000	1.000	1 000
-30	-29	-30	AT1 instruments of financial sector entities where the institution does have a significant investment	-30	0	-30
			Instruments issued by consolidated entities that are given recognition in AT1 Capital	246	200	213
970	971	970	Tier 1 capital	1 216	1.171	1 183
			Supplementary capital in excess of Tier 1 capital			
1 300	1.300	1 400	Subordinated loan capital	1 400	1.300	1 300
-119	-118	-119	T2 instruments of financial sector entities where the institution does have a significant investment	-119	0	-119
			Instruments issued by consolidated entities that are given recognition in T2 Capital	361	311	328
1 181	1.182	1 281	Total supplementary capital	1 643	1.493	1 508
17 598	17.574	18 703	Total eligible capital	19 907	18.692	18 854
			Credit exposures calculated using IRB-approach			
5 178	6.297	4 928	Corporates - SME	4 931	6.322	5 189
18 712	17.527	18 162	Corporates - Specialised Lending	19 036	18.241	19 437
2 218	950	4 396	Corporates - Other	4 483	1.028	2 294
1 332	1.286	1 516	Retail - SME	1 856	1.601	1 683
19 708	19.030	20 051	Retail - Mortgage exposures	31 590	30.234	31 772
614	599	740	Retail - Other	770	636	641
47 762	45.690	49 793	Credit exposures calculated using IRB-approach	62 665	58.062	61 016
			Risk-weighted assets			
16 002	16.865	17 480	Credit exposures calculated using the standardised approach	23 578	22.264	21 864
361	431	282	Counterparty credit risk	2 264	1.873	1 634
0	0	0	Market risk	0	0	0
5 374	5.316	5 374	Operational risk	6 645	6.904	6 645
69 498	68.302	72 929	Risk-weighted assets	95 152	89.103	91 159
5 560	5.464	5 834	Capital requirements (8%)	7 612	7.128	7 293
0	0	0	Pillar 2 (1.8%)	1 713	1.604	1 641
			Buffer requirements			
1 737	1.708	1 823	Capital conservation buffer (2.5%)	2 379	2.228	2 279
1 390	1.025	1 823	Countercyclical capital buffer	2 379	1.337	1 823
2.0 %	1.5 %	2.5 %	Countercyclical capital buffer rate	2.5 %	1.5 %	2.0 %
3 127	3.074	3 282	Systemic risk buffer	4 282	4.010	4 102
4.5 %	4.5 %	4.5 %	Systemic risk buffer rate	4.5 %	4.5 %	4.5 %
6 255	5.806	6 928	Total buffer requirements	9 039	7.574	8 204
13.5 %	13.0 %	14.0 %	CET1 requirement	15.8 %	14.8 %	15.3 %
6 065	6.541	6 242	Available CET1 above requirement	2 015	2.840	2 215
			Capital ratios			
22.2 %	22.6 %	22.6 %	CET 1 capital ratio	17.9 %	18.0 %	17.7 %
23.6 %	24.0 %	23.9 %	Tier 1 Capital ratio	19.2 %	19.3 %	19.0 %
25.3 %	25.7 %	25.6 %	Capital adequacy ratio	20.9 %	21.0 %	20.7 %
9.7 %	9.5 %	9.9 %	Leverage Ratio	7.3 %	7.1 %	7.2 %

1) The Banks' capital ratios has not been corrected for IFRS 17 effects in 2022. See Note 2 Accounting Principles for more information.

Note 5 Net interest income

Parent bank						Group				
Year	Year to date		Second quarter			Second quarter		Year to date		Year
2022	2022	2023	2022	2023		2023	2022	2023	2022	2022
					Interest income					
333	105	311	61	165	Interest income from loans to and claims on central banks and credit institutions (amortised cost)	34	11	73	16	50
1 761	721	1 282	382	667	Interest income from loans to and claims on customers (amortised cost)	853	486	1 660	923	2 248
1 953	793	1 493	419	760	Interest income from loans to and claims on customers (fair value over OCI)	759	419	1 491	791	1 950
4 047	1 620	3 086	862	1 592	Total interest income, effective interest method	1 646	915	3 224	1 730	4 248
					Interest income from loans to and claims on customers (fair value over profit and loss)	43	40	85	80	164
164	80	85	40	43	Interest on certificates and bonds (fair value over profit and loss)	271	88	517	148	474
474	148	517	88	271	Other interest income (fair value over profit and loss)	26	-9	44	-16	-17
-17	-16	44	-9	26	Total other interest income	341	119	646	212	620
620	212	646	119	341	Total interest income	1 987	1 034	3 870	1 942	4 868
4 667	1 831	3 732	981	1 933	Interest expenses					
					Interest on debt to credit institutions	34	13	64	23	66
66	23	64	13	34	Interest on deposits from and liabilities to customers	625	168	1 152	309	1 029
1 021	306	1 144	166	620	Interest on securities issued	435	193	868	343	977
977	343	868	193	435	Interest on subordinated loan capital	22	9	41	16	43
43	16	41	9	22	Fees to the Banks' Guarantee Fund	16	15	31	28	56
56	28	31	15	16	Interest on leases	1	1	2	2	4
4	2	2	1	1	Other interest expenses	1	0	1	0	0
0	0	0	0	0	Total interest expenses	1 134	400	2 160	723	2 176
2 167	720	2 150	398	1 129	Net interest income	852	634	1 710	1 219	2 693
2 500	1 112	1 581	583	804						

Note 6 Net commissions and other operating income

Parent Bank						Group				
Year	Year to date		Second quarter			Second quarter		Year to date		Year
2022	2022	2023	2022	2023		2023	2022	2023	2022	2022
385	161	194	87	105	Net money transfer fees	104	87	193	160	383
305	151	156	76	76	Commission from insurance/savings	76	76	156	151	305
294	177	134	84	64	Commission from covered bonds comp.	64	84	134	177	294
67	31	34	16	16	Commission from credit cards	16	16	34	31	67
0	0	0	0	0	Real estate brokerage commissions	95	99	168	174	323
34	17	19	10	10	Other commission income	22	24	48	46	91
1 085	537	537	273	271	Commission income	378	386	733	738	1 463
101	47	62	23	30	Net money transfer fees	15	19	55	41	88
101	47	62	23	30	Commission expenses	15	19	55	41	88
0	0	0	0	0	Accounting services	34	49	70	101	159
20	9	9	5	5	Other operating income	15	11	29	25	54
20	9	9	5	5	Other operating income	49	60	99	126	213
1 005	498	483	255	246	Net commissions and other operating income	412	426	777	823	1 588

Note 7 Net profit from financial assets and liabilities

Parent Bank						Group				
Year	Year to date		Second quarter			Second quarter		Year to date		Year
2022	2022	2023	2022	2023		2023	2022	2023	2022	2022
43	29	28	14	10	Dividends from equity investments at fair value through profit and loss	10	14	28	29	43
43	29	28	14	10	Dividends from shares and other equity instruments	10	14	28	29	43
357	338	494	113	355	Dividends from subsidiaries, associates and joint ventures					
22	16	4	15	0	Gains or losses on realisation of subsidiaries, associates and joint ventures					
0	0	0	0	0	Impairment on subsidiaries, associates and joint ventures					
379	354	498	128	355	Net income from subsidiaries, associates and joint ventures (Parent Bank)					
					Share of profit or loss of associates and joint ventures	22	20	82	36	186
					Gains or losses on realisation of associates and joint ventures	0	0	0	0	0
					Net income from associates and joint ventures (Group)	22	20	82	36	186
-546	-478	-177	-219	-195	Net change in value on certificates, bonds and fixed-income funds, excl. FX effects	-195	-219	-177	-478	-546
441	360	168	150	207	Net change in value on derivatives that hedge securities above, excl. FX effects	207	150	168	360	441
-105	-118	-8	-69	13	Net change in value on certificates, bonds and fixed-income funds including hedge derivatives	13	-69	-8	-118	-105
2 399	1 696	126	766	314	Net change in value of securities issued, excl. FX effects	314	766	126	1 696	2 399
-2 447	-1 717	-90	-758	-309	Net change in value in derivatives that hedge securities issued, excl. FX effects	-309	-758	-90	-1 717	-2 447
-49	-21	36	8	5	Net change in value on securities issued including hedge derivatives	5	8	36	-21	-49
-249	-251	-90	-77	-105	Net change in value on fixed-rate loans to customers at fair value through profit and loss	-105	-77	-90	-251	-249
224	252	114	-114	134	Net change in value on other derivatives	134	-114	114	252	224
32	15	16	82	17	Net change in value on equity instruments at fair value through profit and loss	17	82	16	15	32
10	4	9	2	5	Gains or losses on realisation of assets at fair value through profit and loss	5	2	9	4	10
70	34	33	15	15	Net income from FX trading and -hedging	15	15	33	34	70
-67	-85	109	-153	84	Net profit from other financial assets and liabilities	84	-153	109	-85	-67
356	298	635	-12	450	Net profit from financial assets and liabilities	117	-120	219	-20	162

Note 8 Other operating expenses

Parent Bank						Group				
Year	Year to date		Second quarter			Second quarter		Year to date		Year
2022	2022	2023	2022	2023		2023	2022	2023	2022	2022
758	368	400	185	201	Personnel expenses	297	297	592	585	1 153
758	368	400	185	201	Total personnel expenses	297	297	592	585	1 153
88	44	46	22	23	Depreciation	29	36	63	67	122
88	44	46	22	23	Total depreciation	29	36	63	67	122
298	150	160	74	79	ICT expenses	87	80	176	162	328
76	42	42	22	23	Marketing expenses	27	26	53	48	88
57	31	36	13	17	Operating expenses from real estate	19	16	40	35	61
207	88	104	46	52	Other expenses	74	65	139	126	284
638	310	342	155	170	Total other operating expenses	208	186	408	372	761
1 484	722	789	362	394	Total operating expenses	534	520	1 064	1 024	2 037

Note 9 Provisions for credit losses

The tables show isolated loss effects.

2nd quarter 2023

Isolated loss effects	Retail market	Corporate market	Parent bank	SB1FØ	Group
Change ECL due to period growth and migration	-2	9	7	5	12
Change ECL due to adjusted key assumptions	7	26	33	-20	13
Change ECL due to changed scenario weighting	0	0	0	0	0
Change in model-based loss provisions (stage 1 and 2)	5	35	40	-14	25
Change individual loss provisions (stage 3)	2	31	33	22	55
Net write-offs	1	3	4	2	6
Total losses	8	69	77	9	86

2nd quarter 2022

Isolated loss effects	Retail market	Corporate market	Parent bank	SB1FØ	Group
Change ECL due to period growth and migration	5	1	6	5	11
Change ECL due to adjusted key assumptions	-12	-6	-18	0	-18
Change ECL due to changed scenario weighting	-17	-39	-55	-5	-60
Change in model-based loss provisions (stage 1 and 2)	-24	-43	-67	1	-66
Change individual loss provisions (stage 3)	0	2	2	-7	-5
Net write-offs	0	3	4	8	12
Total losses	-24	-38	-61	2	-59

Year to date 2023

Isolated loss effects	Retail market	Corporate market	Parent bank	SB1FØ	Group
Change ECL due to period growth and migration	1	5	6	5	11
Change ECL due to adjusted key assumptions	13	49	62	-20	45
Change ECL due to changed scenario weighting	0	0	0	0	0
Change in model-based loss provisions (stage 1 and 2)	14	55	68	-15	56
Change individual loss provisions (stage 3)	5	29	34	22	56
Net write-offs	1	15	16	7	24
Total losses	20	99	118	14	135

Year to date 2022

Isolated loss effects	Retail market	Corporate market	Parent bank	SB1FØ	Group
Change ECL due to period growth and migration	4	5	10	7	17
Change ECL due to adjusted key assumptions	-12	-6	-18	0	-18
Change ECL due to changed scenario weighting	-17	-39	-55	-5	-60
Change in model-based loss provisions (stage 1 and 2)	-24	-39	-63	3	-61
Change individual loss provisions (stage 3)	0	1	1	-12	-11
Net write-offs	0	7	7	10	16
Total losses	-24	-31	-54	0	-55

Year 2022

Isolated loss effects	Retail market	Corporate market	Parent bank	SB1FØ	Group
Change ECL due to period growth and migration	2	-6	-3	7	3
Change ECL due to adjusted key assumptions	-9	56	47	0	47
Change ECL due to changed scenario weighting	-17	-39	-55	-5	-60
Change in model-based loss provisions (stage 1 and 2)	-24	12	-11	3	-9
Change individual loss provisions (stage 3)	-2	13	11	-8	3
Net write-offs	2	16	18	14	32
Total losses	-23	41	19	9	27

Note 10 Credit institutions

Parent bank					Group	
31 Dec. 2022	30 Jun. 2022	30 Jun. 2023	Loans to and receivables from credit institutions	30 Jun. 2023	30 Jun. 2022	31 Dec. 2022
1 448	1 167	1 124	Loans and receivables at call	1 124	1 167	1 448
10 301	9 767	12 822	Loans and receivables with agreed maturities or notice	2 939	1 117	1 246
11 749	10 934	13 946	Total	4 063	2 283	2 694
1 408	1 023	859	Cash collateral given	859	1 023	1 408

Parent bank					Group	
31 Dec. 2022	30 Jun. 2022	30 Jun. 2023	Deposits from and liabilities to credit institutions	30 Jun. 2023	30 Jun. 2022	31 Dec. 2022
1 136	1 303	1 493	Loans and deposits at call	1 493	1 303	1 119
2 179	2 170	2 773	Loans and deposits with agreed maturities or notice	2 771	2 169	2 177
3 315	3 473	4 265	Total	4 263	3 471	3 296
916	1 008	1 136	Cash collateral received	1 135	1 008	916

Note 11 Loans to and receivables from customers

Group

	30 June 2023					30 June 2022					31 December 2022				
	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	Total	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	Total	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	Total
Gross loans															
Opening balance	112 234	11 813	727	6 078	130 851	104 347	10 121	657	6 159	121 284	104 347	10 121	657	6 159	121 284
Transfers in (out) to Stage 1	3 344	-3 335	-9		0	1 916	-1 889	-27		0	2 279	-2 234	-45		0
Transfers in (out) to Stage 2	-4 313	4 335	-22		0	-3 377	3 415	-38		0	-4 929	4 971	-43		0
Transfers in (out) to Stage 3	-505	-267	772		0	-76	-116	192		0	-129	-258	387		0
Net increase/decrease existing loans	-281	-283	83		-481	1 691	-449	-46		1 196	2 697	-311	-77		2 308
Purchases and origination	14 593	257	47		14 897	16 959	380	16		17 355	26 538	1 327	43		27 909
Derecognitions and maturities	-13 649	-771	-113		-14 533	-9 556	-1 209	-126		-10 891	-18 569	-1 803	-180		-20 552
Write-offs	0	0	-14		-14	0	0	-5		-5	0	0	-16		-16
Change in loan and advances to customers at fair value				95	95				5	5				-81	-81
Closing balance	111 423	11 749	1 470	6 172	130 814	111 905	10 252	623	6 164	128 944	112 234	11 813	727	6 078	130 851
Loan and advances to customers at amortised cost					55 369					49 499					52 130
Loan and advances to customers at fair value					75 445					79 445					78 721

Group

Group	Provisions for credit losses						
	Loan and advances to customers at amortised cost 30 June 2023	Loan and advances to customers at fair value OCI 30 June 2023	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value 30 June 2023	Net lending 30 June 2023
Public sector	727	0	-1	-0	-0	0	726
Primary industries	4 200	1 904	-4	-5	-4	513	6 605
Paper and pulp industries	659	404	-0	-3	-1	64	1 121
Other industry	1 513	67	-4	-33	-6	3	1 540
Building and constructions	5 968	277	-34	-27	-17	11	6 177
Power and water supply	1 114	5	-2	-1	0	0	1 116
Wholesale and retail trade	2 902	110	-6	-8	-25	7	2 980
Hotel and restaurants	454	35	-2	-1	-3	0	483
Real estate	26 024	131	-57	-122	-25	-22	25 929
Commercial services	4 942	767	-12	-14	-21	88	5 750
Transport and communication	1 748	169	-2	-4	-8	13	1 916
Post model adjustments	0	0	0	0	0	0	0
Gross corporate loans by sector and industry	50 250	3 868	-123	-218	-110	676	54 344
Retail market	5 118	65 423	-24	-40	-35	5 497	75 938
Post model adjustments	0	0	0	0	0	0	0
Total loans to private customers	5 118	65 423	-24	-40	-35	5 497	75 938
Adjustment fair value	0	-17	17	0	0	0	0
Total loans to customers	55 368	69 273	-129	-258	-145	6 173	130 282
Loans transferred to SpareBank 1 Boligkreditt AS							62 207
Loans transferred to SpareBank 1 Næringskreditt AS							1 089
Total loans including loans transferred to covered bond companies							193 577
Other liabilities ¹⁾							19 035
Total commitments including loans transferred to covered bond companies							212 612

Provisions for credit losses							
	Loan and advances to customers at amortised cost 30 June 2022	Loan and advances to customers at fair value OCI 30 June 2022	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value 30 June 2022	Net lending 30 June 2022
Public sector	463	0	-1	0	0	0	462
Primary industries	3 979	1 757	-3	-6	-5	480	6 203
Paper and pulp industries	680	394	-1	0	0	35	1 107
Other industry	1 207	65	-13	-12	-1	4	1 250
Building and constructions	5 595	311	-19	-17	-14	10	5 867
Power and water supply	728	2	0	-1	0	0	729
Wholesale and retail trade	1 671	160	-6	-3	-1	7	1 828
Hotel and restaurants	488	41	-1	-1	-3	3	527
Real estate	21 671	151	-43	-80	-15	-3	21 680
Commercial services	6 228	734	-25	-9	-10	75	6 992
Transport and communication	1 569	201	-2	-4	-7	15	1 772
Post model adjustments	0	0	0	0	0	0	0
Gross corporate loans by sector and industry	44 281	3 816	-114	-135	-57	627	48 417
Retail market	5 217	69 487	-30	-37	-35	5 537	80 140
Post model adjustments	0	0	0	0	0	0	0
Total loans to private customers	5 217	69 487	-30	-37	-35	5 537	80 140
Adjustment fair value	0	-22	22	0	0	0	0
Total loans to customers	49 498	73 281	-122	-171	-92	6 164	128 558
Loans transferred to SpareBank 1 Boligkreditt AS							53 104
Loans transferred to SpareBank 1 Næringskreditt AS							1 299
Total loans including loans transferred to covered bond companies							182 960
Other liabilities ¹⁾							27 245
Total commitments including loans transferred to covered bond companies							210 206

Provisions for credit losses							
	Loan and advances to customers at amortised cost 31 December 2022	Loan and advances to customers at fair value OCI 31 December 2022	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value 31 December 2022	Net lending 31 December 2022
Public sector	598	0	-1	0	0	0	597
Primary industries	4 179	1 918	-3	-6	-6	519	6 601
Paper and pulp industries	621	399	0	0	-1	33	1 052
Other industry	1 465	67	-5	-17	0	4	1 513
Building and constructions	5 713	276	-24	-21	-10	10	5 944
Power and water supply	803	1	-1	0	0	0	803
Wholesale and retail trade	2 861	110	-8	-5	-4	7	2 961
Hotel and restaurants	475	38	-1	-1	-5	1	508
Real estate	23 967	275	-60	-96	-29	1	24 059
Commercial services	4 683	692	-23	-9	-11	81	5 413
Transport and communication	1 604	201	-2	-3	-11	14	1 803
Post model adjustments	0	0	0	0	0	0	0
Gross corporate loans by sector and industry	46 970	3 975	-128	-160	-75	670	51 252
Retail market	5 160	68 691	-30	-41	-35	5 408	79 153
Post model adjustments	0	0	0	0	0	0	0
Total loans to private customers	5 160	68 691	-30	-41	-35	5 408	79 153
Adjustment fair value	0	-23	23	0	0	0	0
Total loans to customers	52 130	72 643	-136	-201	-110	6 078	130 405
Loans transferred to SpareBank 1 Boligkreditt AS							56 590
Loans transferred to SpareBank 1 Næringskreditt AS							1 288
Total loans including loans transferred to covered bond companies							188 283
Other liabilities ¹⁾							16 008
Total commitments including loans transferred to covered bond companies							204 291

1) Consists of guarantees, unused credits and loan commitments.

Parent Bank

	30 June 2023					30 June 2022					31 December 2022				
	Stage 1	Stage 2	Stage 3 at fair value	Loan and advances to customers	Total	Stage 1	Stage 2	Stage 3 at fair value	Loan and advances to customers	Total	Stage 1	Stage 2	Stage 3 at fair value	Loan and advances to customers	Total
Gross loans															
Opening balance	102 722	10 625	546	6 078	119 971	95 907	9 279	474	6 159	111 819	95 907	9 279	474	6 159	111 819
Transfers in (out) to Stage 1	3 091	-3 085	-6		0	1 731	-1 707	-24		0	2 037	-2 002	-35		0
Transfers in (out) to Stage 2	-3 699	3 715	-16		0	-2 996	3 025	-29		0	-4 345	4 373	-28		0
Transfers in (out) to Stage 3	-226	-192	418		0	-21	-84	105		0	-50	-213	263		0
Net increase/decrease existing loans	477	-203	114		388	2 454	-457	-22		1 976	3 845	-200	-30		3 615
Purchases and origination	11 891	145	16		12 052	14 383	291	7		14 680	22 038	1 010	21		23 069
Derecognitions and maturities	-12 547	-672	-80		-13 299	-8 592	-1 118	-71		-9 781	-16 710	-1 623	-103		-18 435
Write-offs	0	0	-14		-14	0	0	-5		-5	0	0	-16		-16
Change in loan and advances to customers at fair value				95	95				5	5				-81	-81
Closing balance	101 710	10 332	978	6 172	119 192	102 864	9 229	436	6 164	118 694	102 722	10 625	546	6 078	119 971
Loan and advances to customers at amortised cost					43 747					39 249					41 250
Loan and advances to customers at fair value					75 445					79 445					78 721

Parent Bank

	Loan and advances to customers at amortised cost 30 June 2023		Provisions for credit losses			Loan and advances to customers at fair value 30 June 2023		Net lending 30 June 2023	
			Stage 1	Stage 2	Stage 3				
Public sector	15	0	-0	0	0	0	0	15	
Primary industries	3 672	1 904	-3	-5	-3	513	6 077		
Paper and pulp industries	659	404	-0	-3	-1	64	1 121		
Other industry	1 214	67	-2	-30	-6	3	1 246		
Building and constructions	4 751	277	-26	-23	-14	11	4 975		
Power and water supply	1 114	5	-2	-1	0	0	1 116		
Wholesale and retail trade	2 106	110	-4	-7	-1	7	2 210		
Hotel and restaurants	433	35	-2	-1	-3	0	462		
Real estate	25 672	131	-53	-115	-23	-22	25 590		
Commercial services	3 163	767	-7	-8	-20	88	3 983		
Transport and communication	235	169	-1	-1	-8	13	408		
Post model adjustments	0	0	0	0	0	0	0		
Gross corporate loans by sector and industry	43 032	3 868	-99	-193	-80	676	47 203		
Retail market	714	65 423	-18	-33	-29	5 497	71 553		
Post model adjustments	0	0	0	0	0	0	0		
Total loans to private customers	714	65 423	-18	-33	-29	5 497	71 553		
Adjustment fair value	0	-17	17	0	0	0	0		
Total loans to customers	43 747	69 273	-101	-226	-109	6 172	118 756		
Loans transferred to SpareBank 1 Boligkreditt AS							62 207		
Loans transferred to SpareBank 1 Næringskreditt AS							1 089		
Total loans including loans transferred to covered bond companies							182 052		
Other liabilities ¹⁾							19 114		
Total commitments including loans transferred to covered bond companies							201 166		

	Provisions for credit losses						Net lending 30 June 2022
	Loan and advances to customers at amortised cost 30 June 2022	Loan and advances to customers at fair value OCI 30 June 2022	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value 30 June 2022	
Public sector	7	0	0	0	0	0	7
Primary industries	3 547	1 757	-2	-6	-5	480	5 771
Paper and pulp industries	680	394	-1	0	0	35	1 107
Other industry	953	65	-11	-11	-1	4	999
Building and constructions	4 515	311	-14	-11	-14	10	4 798
Power and water supply	728	2	0	-1	0	0	729
Wholesale and retail trade	1 034	160	-4	-2	-1	7	1 193
Hotel and restaurants	466	41	-1	-1	-3	3	505
Real estate	21 275	151	-37	-70	-15	-3	21 301
Commercial services	4 960	734	-19	-6	-10	75	5 734
Transport and communication	265	201	0	-2	-5	15	475
Post model adjustments	0	0	0	0	0	0	0
Gross corporate loans by sector and industry	38 429	3 816	-90	-110	-54	627	42 618
Retail market	820	69 487	-21	-22	-27	5 537	75 774
Post model adjustments	0	0	0	0	0	0	0
Total loans to private customers	820	69 487	-21	-22	-27	5 537	75 774
Adjustment fair value	0	-22	22	0	0	0	0
Total loans to customers	39 249	73 281	-89	-131	-81	6 164	118 392
Loans transferred to SpareBank 1 Boligkreditt AS							53 104
Loans transferred to SpareBank 1 Næringskreditt AS							1 299
Total loans including loans transferred to covered bond companies							172 794
Other liabilities ¹⁾							26 301
Total commitments including loans transferred to covered bond companies							199 095

	Provisions for credit losses						Net lending 31 December 2022
	Loan and advances to customers at amortised cost 31 December 2022	Loan and advances to customers at fair value OCI 31 December 2022	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value 31 December 2022	
Public sector	15	0	0	0	0	0	15
Primary industries	3 693	1 918	-2	-6	-5	518	6 115
Paper and pulp industries	621	399	0	0	-1	33	1 052
Other industry	1 174	67	-2	-16	0	4	1 226
Building and constructions	4 592	276	-18	-16	-9	10	4 835
Power and water supply	803	1	-1	0	0	0	803
Wholesale and retail trade	2 052	110	-7	-4	-2	7	2 155
Hotel and restaurants	451	38	-1	-1	-4	1	484
Real estate	23 569	275	-56	-84	-27	1	23 679
Commercial services	3 267	692	-15	-7	-10	81	4 008
Transport and communication	258	201	0	-1	-10	14	461
Post model adjustments	0	0	0	0	0	0	0
Gross corporate loans by sector and industry	40 495	3 975	-103	-135	-68	670	44 834
Retail market	754	68 691	-23	-25	-27	5 408	74 778
Post model adjustments	0	0	0	0	0	0	0
Total loans to private customers	754	68 691	-23	-25	-27	5 408	74 778
Adjustment fair value	0	-23	23	0	0	0	0
Total loans to customers	41 250	72 643	-103	-161	-95	6 078	119 612
Loans transferred to SpareBank 1 Boligkreditt AS							56 590
Loans transferred to SpareBank 1 Næringskreditt AS							1 288
Total loans including loans transferred to covered bond companies							177 490
Other liabilities ¹⁾							15 954
Total commitments including loans transferred to covered bond companies							193 444

1) Consists of guarantees, unused credits and loan commitments.

Note 12 Accumulated provisions for expected credit losses

Group

Provisions for loan losses	30 June 2023				30 June 2022				31 December 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	174	214	111	499	176	221	107	505	176	221	107	505
<i>Provision for credit losses</i>												
<i>Transfers in (out) to Stage 1</i>	16	-16	0	0	9	-8	0	0	16	-12	-4	0
<i>Transfers in (out) to Stage 2</i>	-80	81	0	0	-34	35	0	0	-51	52	-1	0
<i>Transfers in (out) to Stage 3</i>	-28	-24	52	0	-8	-6	14	0	-18	-21	39	0
<i>Net remeasurement of loss provisions</i>	69	20	36	124	-16	-57	1	-72	13	-33	13	-7
<i>Purchases and originations</i>	31	6	1	38	45	10	0	55	61	35	2	99
<i>Derecognitions and maturities</i>	-10	-8	-19	-37	-11	-18	-20	-48	-23	-28	-31	-82
<i>Write-offs</i>	0	0	-14	-14	0	0	-5	-5	0	0	-16	-16
<i>Post model adjustment</i>	0	0	0	0	0	0	0	0	0	0	0	0
Closing balance	173	272	166	610	160	177	97	434	174	214	111	499
<i>Provisions for guarantees and unused credit facilities</i>	26	13	21	61	16	6	4	27	16	13	1	30

ECL has been calculated for credit institutions and central banks, but the effect is deemed insignificant and consequently not included in the write-downs.

Group

30 June 2023

	31 December 2022	Provision for credit losses	Net write-offs	30 June 2023
Provisions for loss on loans at amortised cost, guarantees and unused credit facilities	443	118	-14	547
Provisions for loan losses at fair value over OCI	56	8	-1	63
Total provisions for credit losses	499	126	-14	610
Presented as:				
Assets: Provisions for loan losses - decrease of assets	446	101	-14	532
Liabilities: Provisions for loan losses - increase of liabilities	30	31	0	61
Equity: Fair value adjustment of losses	23	-6	0	17

30 June 2022

	31 December 2021	Provision for credit losses	Net write-offs	30 June 2022
Provisions for loss on loans at amortised cost, guarantees and unused credit facilities	427	-41	-5	381
Provisions for loan losses at fair value over OCI	78	-25	-1	53
Total provisions for credit losses	505	-66	-5	434
Presented as:				
Assets: Provisions for loan losses - decrease of assets	444	-53	-5	386
Liabilities: Provisions for loan losses - increase of liabilities	29	-2	0	26
Equity: Fair value adjustment of losses	33	-11	0	22

31 December 2022

	31 December 2021	Provision for credit losses	Net write-offs	31 December 2022
Provisions for loss on loans at amortised cost, guarantees and unused credit facilities	427	32	-15	443
Provisions for loan losses at fair value over OCI	78	-22	-1	56
Total provisions for credit losses	505	10	-16	499
Presented as:				
Assets: Provisions for loan losses - decrease of assets	444	18	-16	446
Liabilities: Provisions for loan losses - increase of liabilities	29	2	-1	30
Equity: Fair value adjustment of losses	33	-10	0	23

Parent Bank

Provisions for loan losses	30 June 2023				30 June 2022				31 December 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	142	174	96	412	141	186	85	412	141	186	85	412
<i>Provision for credit losses</i>												
Transfers in (out) to Stage 1	7	-7	0	0	3	-2	0	0	4	-4	0	0
Transfers in (out) to Stage 2	-75	75	0	0	-32	32	0	0	-48	49	0	0
Transfers in (out) to Stage 3	-27	-19	47	0	-4	-4	8	0	-13	-19	32	0
<i>Net remeasurement of loss provisions</i>	84	19	17	120	-9	-66	8	-67	30	-40	12	2
<i>Purchases and originations</i>	20	2	0	22	37	5	0	42	46	23	0	69
<i>Derecognitions and maturities</i>	-7	-4	-15	-26	-8	-14	-9	-31	-18	-21	-17	-55
<i>Write-offs</i>	0	0	-14	-14	0	0	-5	-5	0	0	-16	-16
<i>Post model adjustment</i>	0	0	0	0	0	0	0	0	0	0	0	0
Closing balance	144	240	130	514	127	137	86	350	142	174	96	412
<i>Provisions for guarantees and unused credit facilities</i>	26	13	21	61	16	6	4	27	16	13	1	30

ECL has been calculated for credit institutions and central banks, but the effect is deemed insignificant and consequently not included in the write-downs.

Parent Bank

30 June 2023

	31 December 2022	Provision for credit losses	Net write-offs	30 June 2023
Provisions for loss on loans at amortised cost, guarantees and unused credit facilities	356	109	-14	451
Provisions for loan losses at fair value over OCI	56	8	-1	63
Total provisions for credit losses	412	117	-14	514
Presented as:				
Assets: Provisions for loan losses - decrease of assets	359	92	-14	436
Liabilities: Provisions for loan losses - increase of liabilities	30	31	0	61
Equity: Fair value adjustment of losses	23	-6	0	17

30 June 2022

	31 December 2021	Provision for credit losses	Net write-offs	30 June 2022
Provisions for loss on loans at amortised cost, guarantees and unused credit facilities	334	-32	-5	298
Provisions for loan losses at fair value over OCI	78	-25	-1	53
Total provisions for credit losses	412	-56	-5	350
Presented as:				
Assets: Provisions for loan losses - decrease of assets	350	-43	-5	302
Liabilities: Provisions for loan losses - increase of liabilities	29	-2	0	27
Equity: Fair value adjustment of losses	33	-11	0	22

31 December 2022

	31 December 2021	Provision for credit losses	Net write-offs	31 December 2022
Provisions for loss on loans at amortised cost, guarantees and unused credit facilities	334	38	-15	356
Provisions for loan losses at fair value over OCI	78	-22	-1	56
Total provisions for credit losses	412	16	-16	412
Presented as:				
Assets: Provisions for loan losses - decrease of assets	350	24	-16	359
Liabilities: Provisions for loan losses - increase of liabilities	29	2	-1	30
Equity: Fair value adjustment of losses	33	-10	0	23

Note 13 Financial derivatives

Parent Bank and Group

	30 June 2023		
	Contract amount	Fair value	
		Assets	Liabilities
At fair value through profit and loss			
Currency instruments			
Currency forward contracts	1 537	7	16
Currency swaps	3 875	34	3
Total currency instruments	5 412	41	18
Interest rate instruments			
Interest rate swaps (including cross-currency)	71 451	2 413	2 577
Other interest rate contracts	0	0	0
Total interest rate instruments	71 451	2 413	2 577
Total currency instruments	5 412	41	18
Total interest rate instruments	71 451	2 413	2 577
Total financial derivatives	76 863	2 454	2 596

	30 June 2022		
	Contract amount	Fair value	
		Assets	Liabilities
At fair value through profit and loss			
Currency instruments			
Currency forward contracts	2 075	92	27
Currency swaps	1 449	18	14
Total currency instruments	3 524	111	40
Interest rate instruments			
Interest rate swaps (including cross-currency)	70 189	1 683	1 887
Other interest rate contracts	518	0	0
Total interest rate instruments	70 707	1 683	1 887
Total currency instruments	3 524	111	40
Total interest rate instruments	70 707	1 683	1 887
Total financial derivatives	74 230	1 794	1 927

	31 December 2022		
	Contract amount	Fair value	
		Assets	Liabilities
At fair value through profit and loss			
Currency instruments			
Currency forward contracts	2 615	18	11
Currency swaps	2 271	13	10
Total currency instruments	4 886	30	21
Interest rate instruments			
Interest rate swaps (including cross-currency)	73 247	1 825	2 566
Other interest rate contracts	0	0	0
Total interest rate instruments	73 247	1 825	2 566
Total currency instruments	4 886	30	21
Total interest rate instruments	73 247	1 825	2 566
Total financial derivatives	78 133	1 855	2 587

Note 14 Financial instruments at fair value

The table below shows financial instruments at fair value by valuation method. The different levels are defined as follows:

- Level 1: Quoted prices for similar asset or liability on an active market
- Level 2: Valuation based on other observable factors either direct (price) or indirect (derived from prices) than the quoted price (used on level 1) for the asset or liability
- Level 3: Valuation based on factors not based on observable market data (non-observable inputs)

Parent Bank and Group

30 June 2023	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value				
- Derivatives	0	2 454	0	2 454
- Certificates, bonds and fixed-income funds	0	29 657	0	29 657
- Fixed-rate loans to customers	0	0	6 172	6 172
- Equity instruments	495	30	282	807
- Mortgages (FVOCI)	0	0	69 227	69 227
Total assets	495	32 140	75 681	108 317
Liabilities				
Financial liabilities at fair value				
- Derivatives	0	2 596	0	2 596
- Securities issued	0	41	0	41
Total liabilities	0	2 637	0	2 637

30 June 2022	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit and loss				
- Derivatives	0	1 794	0	1 794
- Certificates, bonds and fixed-income funds	0	27 653	0	27 653
- Fixed-rate loans to customers	0	0	6 164	6 164
- Equity instruments	446	29	300	776
- Mortgages (FVOCI)	0	0	73 250	73 250
Total assets	446	29 476	79 715	109 637
Liabilities				
Financial assets at fair value through profit and loss				
- Derivatives	0	1 927	0	1 927
- Securities issued	0	1 258	0	1 258
Total liabilities	0	3 185	0	3 185

31 December 2022	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit and loss				
- Derivatives	0	1 855	0	1 855
- Certificates, bonds and fixed-income funds	0	26 351	0	26 351
- Fixed-rate loans to customers	0	0	6 078	6 078
- Equity instruments	480	30	281	791
- Mortgages (FVOCI)	0	0	72 611	72 611
Total assets	480	28 236	78 969	107 686
Liabilities				
Financial assets at fair value through profit and loss				
- Derivatives	0	2 587	0	2 587
- Securities issued	0	658	0	658
Total liabilities	0	3 245	0	3 245

The table below presents the changes in value of the instruments classified in level 3:

	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Total
Year to date 2023				
Opening balance	6 078	281	72 611	78 969
Investments in the period	776	0	6 852	7 629
Sales/redemption in the period	-591	-1	-10 222	-10 815
Gains/losses recognised through profit and loss	-90	2	-7	-96
Gains/losses recognised through other comprehensive income	0	0	-6	-6
Closing balance	6 172	282	69 227	75 681
Gains/losses for the period included in the profit for assets owned on the balance sheet day	-90	2	-7	-96

	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Total
Year to date 2022				
Opening balance	6 159	266	70 126	76 550
Investments in the period	901	0	8 925	9 826
Sales / redemption in the period	-645	-1	-5 814	-6 460
Gains / losses recognised through profit and loss	-251	35	25	-190
Gains/losses recognised through other comprehensive income	0	0	-11	-11
Closing balance	6 164	300	73 250	79 715
Gains/losses for the period included in the profit for assets owned on the balance sheet day	-251	35	25	-190

	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Total
Year 2022				
Opening balance	6 159	266	70 126	76 550
Investments in the period	1 409	2	13 728	15 139
Sales/redemption in the period	-1 241	-12	-11 255	-12 508
Gains/losses recognised through profit and loss	-249	25	22	-202
Gains/losses recognised through other comprehensive income	0	0	-10	-10
Closing balance	6 078	281	72 611	78 969
Gains/losses for the period included in the profit for assets owned on the balance sheet day	-249	17	22	-210

Specification of fair value, instruments classified in level 3:

	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Total
30 June 2023				
Nominal value including accrued interest (fixed income instruments) / cost (shares)	6 528	194	69 273	75 996
Fair value adjustment	-356	87	-46	-314
Closing balance	6 172	282	69 227	75 681

	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Total
30 June 2022				
Nominal value including accrued interest (fixed income instruments) / cost (shares)	6 432	195	73 281	79 908
Fair value adjustment	-267	105	-31	-193
Closing balance	6 164	300	73 250	79 715

	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Total
31 December 2022				
Nominal value including accrued interest (fixed income instruments) / cost (shares)	6 343	194	72 643	79 181
Fair value adjustment	-266	86	-33	-212
Closing balance	6 078	281	72 611	78 969

Sensitivity, instruments classified in level 3:

An increase in the discount rate on fixed-rate loans to customers by 10 basis points will decrease the fair value by NOK 18 million. The sensitivity effects of other level 3 instruments cannot be meaningfully quantified. See note 27 in the annual report 2022 for a description of valuation techniques and a qualitative sensitivity analysis.

Note 15 Deposits from and liabilities to customers

Parent Bank			Deposits by sector and industry	Group		
31 Dec. 2022	30 Jun. 2022	30 Jun. 2023		30 Jun. 2023	30 Jun. 2022	31 Dec. 2022
54 743	55 371	59 514	Retail market	59 514	55 371	54 743
9 242	9 152	11 146	Public sector	11 146	9 152	9 242
1 315	1 516	1 589	Primary industries	1 589	1 516	1 315
759	720	1 072	Paper and pulp industries	1 072	720	759
1 403	945	1 182	Other industry	1 182	945	1 403
2 423	2 116	2 198	Building and construction	2 198	2 116	2 423
688	141	681	Power and water supply	681	141	688
1 937	2 214	2 094	Wholesale and retail trade	2 094	2 214	1 937
520	487	472	Hotel and restaurants	472	487	520
4 899	5 456	4 867	Real estate	4 867	5 456	4 899
19 213	19 722	18 936	Commercial services	18 868	19 671	19 115
1 769	2 216	2 198	Transport and communications	2 198	2 216	1 769
98 911	100 056	105 950	Total deposits from and liabilities to customers	105 881	100 005	98 813

Note 16 Debt securities issued

Parent Bank and Group

Change in debt securities issued	30 Jun. 2023	Issued	Due / redeemed	Other changes	31 Dec. 2022
Certificate debt, nominal value	0	0	0	0	0
Bond debt, nominal value	30 671	0	-6 222	-458	37 351
Senior non-perferred, nominal value	8 500	2 000	0	0	6 500
Subordinated loan capital, nominal value	1 400	500	-400	0	1 300
Accrued interest	283	0	0	-45	328
Value adjustments *	520	0	0	1 395	-874
Total debt raised through issuance of securities and subordinated loan capital, book value	41 374	2 500	-6 622	892	44 604

*) Including unrealised exchange rate effects with MNOK 1 554 in the period and MNOK 3 030 accumulated.

Change in debt securities issued	30 Jun. 2022	Issued	Due / redeemed	Other changes	31 Dec. 2021
Certificate-based debt, nominal value	500	0	0	0	500
Bond debt, nominal value	36 555	8 264	-2 201	-391	30 884
Senior non-perferred, nominal value	5 500	0	0	0	5 500
Subordinated loan capital, nominal value	1 300	0	0	0	1 300
Accrued interest	203	0	0	7	196
Value adjustments	-488	0	0	-642	154
Total debt raised through issuance of securities and subordinated loan capital, book value	43 571	8 264	-2 201	-1 026	38 534

Change in debt securities issued	31 Dec. 2022	Issued	Due / redeemed	Other changes	31 Dec. 2021
Certificate debt, nominal value	0	0	-500	0	500
Bond debt, nominal value	37 351	10 542	-4 381	305	30 884
Senior non-perferred, nominal value	6 500	1 000	0	0	5 500
Subordinated loan capital, nominal value	1 300	500	-500	0	1 300
Accrued interest	328	0	0	132	196
Value adjustments	-874	0	0	-1 028	154
Total debt raised through issuance of securities and subordinated loan capital, book value	44 604	12 042	-5 381	-592	38 534

Note 17 Earnings per equity capital certificate

Earnings per equity capital certificate (ECC)	Year 2023	Year to date 2022	Year 2022
Net profit for the Group	1 231	885	1 948
- adjusted for Tier 1 capital holders' share of net profit	32	21	47
-adjusted for non-controlling interests' share of net profit	14	8	21
Adjusted net profit	1 185	856	1 880
Adjusted net profit allocated to ECC holders	830	600	1 316
Average number of equity capital certificates	115 829 789	115 829 789	115 829 789
Result per equity capital certificate (NOK)	7.17	5.18	11.37

Equity capital certificate (Parent Bank)	30 Jun. 2023	30 Jun. 2022	31 Dec. 2022
Equity capital certificates	5 791	5 791	5 791
Premium fund	848	848	848
Dividend equalisation fund	5 407	4 560	4 361
Fund for unrealised gains	348	321	340
A. Equity capital certificate owners' capital	12 395	11 520	11 340
Primary capital	5 136	4 774	4 689
Provisjon for gifts	41	20	16
Fund for unrealised gains	150	137	146
B. Total primary capital	5 327	4 932	4 851
Allocated to dividends and other equity capital	0	0.0	788
Allocated to dividends on customers return	0	0.0	337
Total other equity ekskl. hybrid capital	17 722	16 452	17 316
Total equity for distribution:			
Equity capital certificate ratio (A/(A+B))*	69.9 %	70.0 %	70.0 %

*)The equity certificate ratio is reported excluding dividends. Average ownership ratio is used to distribute profit and dividend:
See *Key ratios* for an overview of average ownership ratio over time.

Equity capital certificates issued	115 829 789	115 829 789	115 829 789
Average equity capital certificates	115 829 789	115 829 789	115 829 789

Statement from the Board of Directors and chief executive officer

We confirm that according to our firm belief the annual accounts for the period from 1 January to 30 June 2023 have been prepared in accordance with international standards for financial reporting (IFRS) and that the information in the annual report gives a true picture of the Parent Bank's and Group's assets, liabilities, financial position and result as a whole, and a correct overview of the information mentioned in the Securities Trading Act, § 5-6.

The Board of Directors of SpareBank 1 Østlandet

Hamar, 10 th August 2023

Siri J. Strømmevold
Board Chair

Nina Cecilie Strøm Swensson

Tore Anstein Dobloug

Sjur Smedstad
Employee representative

Idun Kristine Fridtun

Catherine Norland
Employee representative

Jørn Eggum

Alexander Lund

Richard Heiberg
CEO

Other information

Equity capital certificate

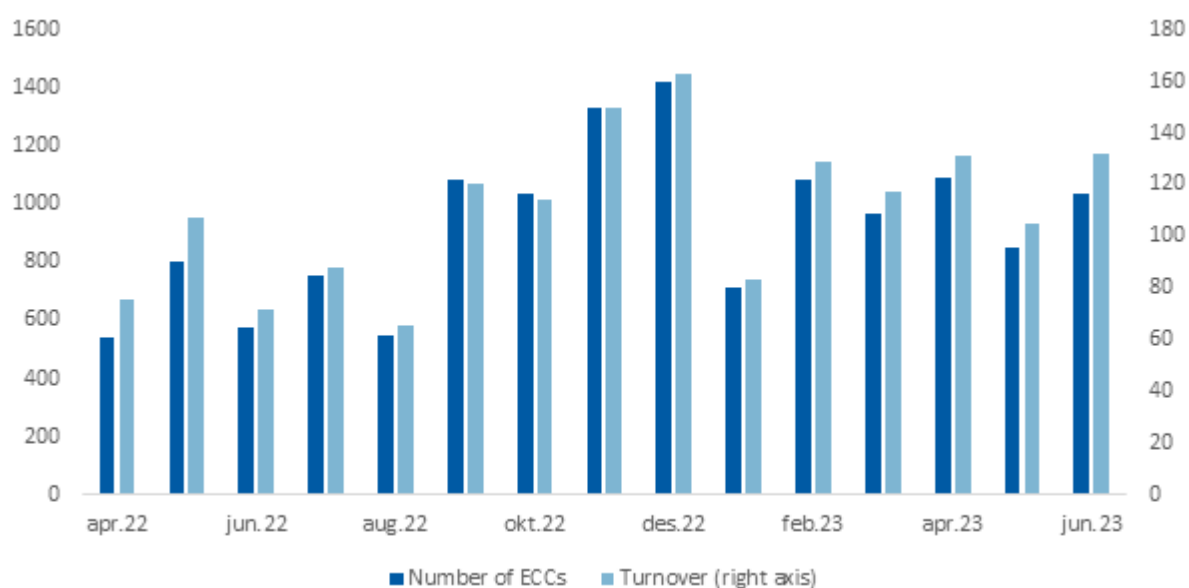
Price development in the ECC (SPOL) compared to share price indices

Total returns (dividend adjusted). Index = 100 at 31 June 2021. Sources: Macrobond, own calculations



Trade in the equity capital certificate (SPOL)

Number of ECCs (1000s) and turnover (NOK mill.). Per month. Sources: Macrobond, own calculations



	2023		2022	
		Share in		
20 largest holders of equity capital certificates (SPOL)	No. of ECCs	per cent	No. of ECCs	Change
1 Sparebankstiftelsen Hedmark	60 404 892	52.15 %	60 404 892	-
2 Landsorganisasjonen i Norge	11 121 637	9.60 %	11 121 637	-
3 Pareto Invest AS	3 854 984	3.15 %	3 300 861	554 123 ↑
4 Pareto AS	2 642 942	2.12 %	522 681	2 120 261 ↑
5 Gevean Trading Co LTD	2 451 587	2.07 %	1 952 005	499 582 ↑
6 Fellesforbundet	2 391 954	1.98 %	2 391 954	-
7 VPF Eika Egenkapitalbevis	2 287 365	1.65 %	2 410 003	(122 638) ↓
8 Spesialfondet Borea Utbytte	1 394 527	1.56 %	1 158 763	235 764 ↑
9 Kommunal Landspensjonskasse Gjensidig Forsikring	1 321 273	1.13 %	796 481	524 842 ↑
10 Norsk Nærings- og Nytelsesmiddelarbeiderforbund	1 313 555	1.08 %	1 313 555	-
11 VPF Odin Norge	871 218	0.75 %	1 521 218	(650 000) ↓
12 Tredje AP-fonden	804 750	0.75 %	804 750	-
13 The Bank of New York Mellon SA/NV (nominee)	798 417	0.73 %	888 454	(90 037) ↓
14 Landkreditt Utbytte	718 729	0.69 %	1 000 000	(281 271) ↓
15 State Street Bank and Trust Company (nominee)	628 708	0.54 %	651 994	(23 286) ↓
16 Fagforbundet	622 246	0.52 %	622 246	-
17 Brown Brothers Harriman & Co. (nominee)	568 688	0.49 %	568 688	-
18 JPMorgan Chase Bank, London (nominee)	544 401	0.47 %	544 401	-
19 Industri Energi	479 443	0.41 %	479 443	-
20 VPF Storebrand Norge	470 851	0.40 %	334 227	136 624 ↑
Total 20 largest owners of equity capital certificates	95 692 167	82.61%	92 788 203	2 903 964 ↑
<i>Other owners</i>	<i>20 137 622</i>	<i>17.39%</i>	<i>23 041 586</i>	<i>(2 903 964) ↓</i>
Total no. of equity capital certificates	115 829 789	100%	115 829 789	-

Dividend policy

SpareBank 1 Østlandet puts emphasis on giving its owners a competitive and stable cash dividend, based on good profitability and high dividend capacity. The bank targets payments of 50 per cent of annual profits after taxes in dividends to the owners of equity certificates and as customer dividends from the ownerless capital. The decision to pay dividends is assessed in light of possible extraordinary income and costs, as well as taking into account expected profit developments and regulatory changes with expected consequences for capital adequacy.

The bank's long-term target for profitability is a return on equity of 12 per cent. SpareBank 1 Østlandet's operations in a cyclically stable region of Norway and a high share of mortgage loans contribute to a loan portfolio with low risk. The bank's target for solidity is captured by a long-term

target for the CET 1-ratio of a 100 basis points management buffer above regulatory requirements.

The combination of high profitability and solidity in a stable market region with a robust loan portfolio provides the bank with a strong foundation to maintain the targeted dividend share, also during times of economic downturns.

Following a proposal from the Board of Directors, the Supervisory Board decides each year on the share of profits after taxes which will be distributed as dividends to ECC owners and the ownerless capital, proportionally in accordance with their relative share of the bank's equity. The share of profits belonging to the ownerless capital is expected to be paid to the bank's customers as customer dividends. The customer dividend should prevent a dilution of the ECC holders' ownership stake in the bank.

Financial calendar 2023

Date	Theme
10 February	Q4 2022 Quarterly Report
9 March	Annual Report 2022
30 March	Supervisory Board Meeting
5 May	Q1 2023 Quarterly Report
10 August	Q2 2023 Quarterly Report
27 October	Q3 2023 Quarterly Report

The Bank reserves the right to change any dates of publication.

This information is subject of the disclosure requirements acc. to § 5-1 vphl (Norwegian Securities Trading Act).

The silent period occurs from the fifth banking day of the new quarter and until the interim report has been published. During this period, Investor Relations does not arrange any meetings with media, investors, analysts or other capital market participants.

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- SpareBank 1 Østlandet
- SpareBank 1 ForretningsPartner Østlandet
- SpareBank 1 Finans Østlandet
- EiendomsMegler 1 Innlandet
- EiendomsMegler 1 Oslo Akershus

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