



Q3 2024

Interim financial
statements



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Main figures

NOK 1 246 million

Profit after tax

12.7%

Return on equity

21.0%

Common Equity Tier 1 capital ratio

Group	30.09.2024		30.09.2023		31.12.2023	
	m NOK	% ¹⁾	m NOK	% ¹⁾	m NOK	% ¹⁾
Summary of the results						
Net interest income	1 602	2.35	1 496	2.22	2 039	2.27
Net commission and other income	655	0.96	657	0.97	848	0.95
Net income from financial assets	370	0.54	94	0.14	100	0.11
Total net income	2 628	3.86	2 248	3.33	2 987	3.33
Total operating expenses	1 061	1.56	947	1.40	1 334	1.49
Operating profit before losses/profit before losses and tax	1 567	2.30	1 300	1.93	1 654	1.84
Losses on loans and guarantees	25	0.04	-15	-0.02	-57	-0.06
Profit before tax	1 542	2.26	1 316	1.95	1 711	1.91
Tax expense	296	0.43	306	0.45	400	0.45
Profit after tax	1 246	1.83	1 010	1.50	1 310	1.46
Total other comprehensive income recognised as equity	-4	-0.01	-2	0.00	-8	-0.01
Total comprehensive income	1 242	1.82	1 008	1.49	1 303	1.45
Interest hybrid capital (additional Tier 1 capital)	24	0.03	19	0.03	26	0.03
Total comprehensive income, incl. interest on hybrid capital	1 218	1.79	989	1.47	1 277	1.42

¹⁾ Calculated as a % of average total assets



Key figures

Group (Amounts in NOK millions)	30.09.2024	30.09.2023	31.12.2023
Profitability			
Return on equity, profit before other comprehensive income ¹⁾	12.7%	10.7%	10.2%
Cost-income ratio, parent bank ¹⁾	38.4%	33.8%	36.8%
Cost-income ratio, Group ¹⁾	40.4%	42.2%	44.6%
Statement of financial position figures			
Gross lending to customers	78 514	72 077	72 862
Gross lending to customers incl. transfers to mortgage credit institutions ¹⁾	107 931	104 958	105 204
Deposits from customers	57 036	55 869	55 184
Deposit coverage ¹⁾	72.6%	77.5%	75.7%
Liquidity coverage ratio (LCR), liquidity reserve	144%	226%	202%
Growth in lending, incl. transferred to mortgage credit institutions in past 12 months. ¹⁾	2.8%	-0.8%	0.1%
Deposit growth in the past 12 months ¹⁾	2.1%	-0.1%	-0.1%
Total assets	92 088	90 881	90 003
Total assets, incl. transferred to mortgage credit institutions ¹⁾	121 505	123 762	122 345
Losses			
Loss rate on lending ¹⁾	0.03%	-0.02%	-0.08%
Loans in Stage 3 as % of gross lending ¹⁾	0.99%	0.94%	0.94%
Losses (incl. SpareBank 1 Boligkreditt/Næringskreditt)			
Loss rate on lending (incl. transferred to mortgage credit institutions) ¹⁾	0.02%	-0.01%	-0.05%
Loans in Stage 3 as percentage of gross lending (incl. transferred to mortgage credit institutions) ¹⁾	0.72%	0.64%	0.65%
Financial strength, Group (proportional consolidation)			
Capital adequacy ratio	23.5%	21.2%	21.8%
Tier 1 capital ratio	21.8%	19.6%	20.2%
Common Equity Tier 1 capital ratio	21.0%	18.7%	19.4%
Net primary capital	13 946	12 190	12 648
Tier 1 capital	12 923	11 232	11 687
Common Equity Tier 1 capital	12 439	10 724	11 207
Basis for calculation	59 323	57 371	57 916
Leverage Ratio	9.4%	8.0%	8.5%
Offices and staffing			
Number of bank branches	18	19	18
Number of FTEs	672	641	644
of which parent bank	461	429	436
Number of FTEs	699	668	671
of which parent bank	482	448	455

Equity certificates	30.09.2024	30.09.2023	31.12.2023
Equity certificate fractions	60.7%	60.7%	60.7%
Market price (NOK)	68.01	51.00	64.00
Market value (NOK millions)	9 528	7 145	8 966
Book equity per equity certificate (parent bank, NOK)	54.87	53.17	54.44
Book equity per equity certificate (Group, NOK) ¹⁾	56.64	53.79	55.00
Earnings per equity certificate (parent bank, NOK) ¹⁾	4.30	4.83	6.05
Earnings per equity certificate (Group, NOK) ¹⁾	5.29	4.29	5.47
Dividend per equity certificate (NOK)			3.88
Price/earnings per equity certificate (parent bank)	11.83x	7.89x	10.58x
Price/earnings per equity certificate (Group) ¹⁾	9.63x	8.89x	11.70x
Price/book equity (parent bank)	1.24x	0.96x	1.18x
Price/book equity (Group) ¹⁾	1.20x	0.95x	1.16x

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



About SpareBank 1 Sørøst-Norge

On 01.10.2024, SpareBank 1 Sørøst-Norge merged with SpareBank 1 SR-Bank ASA, and we became SpareBank 1 Sør-Norge ASA. SpareBank 1 Sør-Norge ASA is a proactive financial group with a market area that covers all of Southern Norway, from Bergen in the west to Oslo in the east. SpareBank 1 Sør-Norge's head office is in Finansparken in Stavanger.

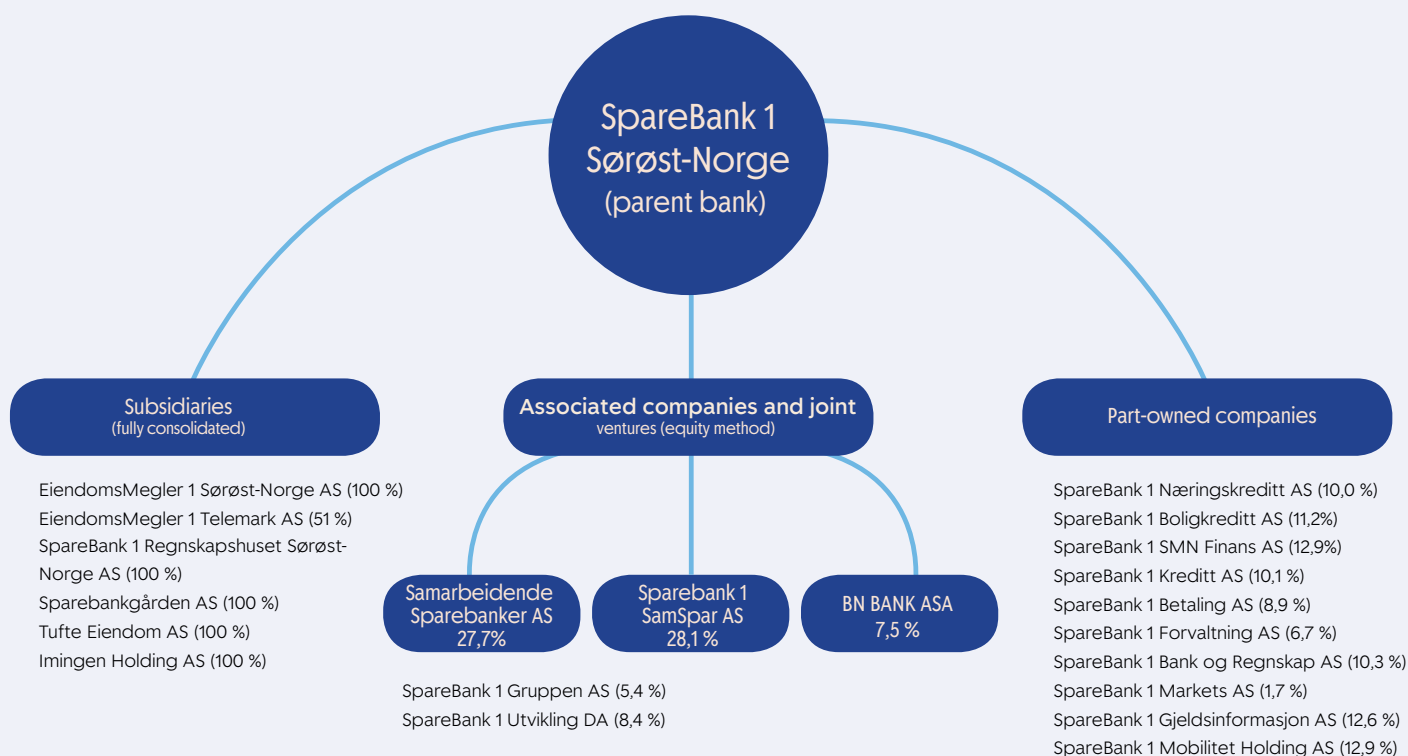
The number of FTEs in the parent bank and the Group prior to the merger with Sparebank 1 SR-Bank at the end of the third quarter was 461 and 672, respectively.

SpareBank 1 Sørøst-Norge is the result of several mergers of local savings banks in the region. There have been a total of 15 mergers in the Group's history, the last two of which took place in 2021 and 2022. SpareBank 1 BV and Sparebanken Telemark merged in 2021 and became SpareBank 1 Sørøst-Norge. In 2022, SpareBank 1 Sørøst-Norge merged with SpareBank 1 Modum.

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

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





Important financial events in the third quarter

On 12.09.2024, Inge Reinertsen was appointed the new CEO of the new SpareBank 1 Sør-Norge ASA, replacing Benedicte Schilbred Fasmer. On 01.10.2024, Roar Snippen was appointed the Chief Financial Officer of the new bank.

On 19.09.2024, a new Board of Directors of SpareBank 1 Sør-Norge ASA was elected in an extraordinary general meeting. The Financial Supervisory Authority of Norway granted the final authorisation required for the merger on the morning of 24.09.2024. Later that same day, the boards of the two banks decided to implement the merger as planned on 01.10.2024. A subscription price of NOK 130.60 was also approved by SpareBank 1 SR-Bank's board on the same day. The subscription price corresponded to the last calculated book value per share at a group level at the time the board decided to implement the merger, in line with the merger plan. 111 187 338 new shares were issued as remuneration for the merger between the banks in addition to the cash payment of NOK 4.33235 per equity certificate owned as at the end of the quarter in SpareBank 1 Sørøst-Norge.

30.09.2024 was the last trading day for equity certificates in SpareBank 1 Sørøst-Norge (SOON), and on 01.10.2024 the merger of SpareBank 1 SR-Bank ASA and SpareBank 1 Sørøst-Norge was registered in the Register of Business Enterprises and implemented. SpareBank 1 SR-Bank ASA was the acquiring bank, and in connection with the merger the bank has changed its name to SpareBank 1 Sør-Norge ASA and its ticker to SB1NO.



Board of Directors' Interim Report

The SpareBank 1 Sørøst-Norge Group

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

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

SpareBank 1 Sørøst-Norge + SpareBank 1 SR-Bank ASA = SpareBank 1 Sør-Norge ASA (SB1NO)

On 26.10.2023, the Board of Directors announced the plan to merge with SpareBank 1 SR-Bank ASA to form SpareBank 1 Sør-Norge ASA. The merger plan was unanimously approved on 05.12.2023 by the Supervisory Board of SpareBank 1 Sørøst-Norge and the general meeting of SpareBank 1 SR-Bank ASA. On 01.10.2024, 341 days after the merger plan was announced, we could finally call ourselves SpareBank 1 Sør-Norge ASA.

In connection with the merger, SpareBank 1 Sørøst-Norge's equity certificate holders were awarded 0.481702 shares in SpareBank 1 Sør-Norge ASA per equity certificate. A total of 67 485 793 shares were converted. This was additional to a cash payment of NOK 4.33235 per equity certificate, totalling NOK 607 million. At the same time, SpareBank 1 Sørøst-Norge's primary capital was converted to 43 701 545 shares. These shares were allocated as follows: SpareBank 1 stiftelsen BV received 21 037 934 shares, Sparebankstiftelsen Telemark received 15 924 842 shares and Sparebankstiftelsen SpareBank 1 Modum received 6 738 778 shares. The three foundations also received a cash payment totalling NOK 393 million and allocated as follows: NOK 189 million to SpareBank 1 stiftelsen BV, NOK 143 million to Sparebankstiftelsen Telemark and NOK 61 million to Sparebankstiftelsen SpareBank 1 Modum.

At the time of the merger, SpareBank 1 Sør-Norge is Norway's largest savings bank, with approximately 2 300 employees, total assets of NOK 500 billion and NOK 375 billion in lending to retail customers and businesses. The Group will be a strong competitor for Norwegian and Nordic commercial banks.

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

The merger with SpareBank 1 SR-Bank entails conversion to

an ASA Bank. This means that the three savings bank foundations that have not received final settlement for their primary capital will have their entire capital converted into shares in SpareBank 1 Sør-Norge ASA. The merger thus ensures that the capital will remain where it was created and benefit local communities. The new financial services group will have seven strong local savings bank foundations as owners, and these will strengthen the Group's local profile and market position. The conversion means that, altogether, the seven foundations will own about 45% of the shares in the new group, with the three largest foundations owning a combined minimum of 33.4% of the share capital and votes in SpareBank 1 Sør-Norge ASA, thus ensuring national ownership.

SpareBank 1 SR-Bank and SpareBank 1 Sørøst-Norge have no overlapping locations, which means that the Group's branch networks will complement each other and strengthen the new bank's overall presence, from Bergen to Oslo. Through this presence, SpareBank 1 Sørøst-Norge will use its strength and lifting capacity to create further growth and development in the business sectors and local communities. By also becoming Norway's largest savings bank, the new group will provide the region with a strong player that can offer larger companies a partner with expertise, product breadth and financial lifting capacity. Thanks to new bank's size and strength, it will be even better able to attract the best expertise by offering attractive and skilled jobs throughout Southern Norway.

Highlights from the financial performance and statement of financial position performance in the third quarter are shown below, with the figures for the third quarter of 2023 in brackets.

Third quarter highlights

- Ordinary profit after tax NOK 509 (303) million
- Net interest income NOK 540 (523) million
- Net income from financial assets NOK 229 (9) million
- Profits from SpareBank 1 Gruppen and BN Bank ASA of NOK 148 (-4) million and NOK 16 (14) million, respectively
- Losses on loans and guarantees of NOK 6 (19) million
- Return on equity of 15.6% (9.4%); adjusted for one-time effects the return on equity was 16.4% (9.4%)
- Lending and deposit growth in the quarter was 1.2% (0.3%) and -1.2% (-2.3%), respectively
- The Group's target for the Common Equity Tier 1 capital ratio is 21.0% (18.7%)

Highlights from the financial performance and statement of financial position performance as at 30.09.2024 are shown below, with the figures as at 30.09.2023 in brackets.

Highlights for the period 01.01 to 30.09

- Ordinary profit after tax NOK 1 246 (1 010) million
- Net interest income NOK 1 602 (1 496) million
- Net income from financial assets NOK 370 (94) million
- Profits from SpareBank 1 Gruppen and BN Bank ASA of NOK 162 (8) million and NOK 50 (39) million, respectively
- Losses on loans and guarantees of NOK 25 (-15) million
- Return on equity of 12.7% (10.7%); adjusted for

one-time effects the return on equity was 13.0% (10.7%)

- Growth in lending and deposits in the past 12 months of 2.8% (-0.8%) and 2.1% (-0.1%), respectively

Financial performance

Results for the third quarter compared with the previous quarter

The Group's profit before tax was NOK 509 million for the third quarter of 2024, compared with NOK 350 million for the second quarter. This resulted in a return on equity after tax of 15.6% in the quarter, compared with 10.7% in the second quarter of 2024. The increase in profit from the previous quarter was mainly due to increased income from financial assets. The merger of Fremtind Forsikring AS and Eika Forsikring AS was implemented on 01.07.2024. The transaction increased SpareBank 1 Gruppen's equity by NOK 7 billion. SpareBank 1 Sørøst-Norge's share of this transaction has been recognised at NOK 125 million. Sparebanken Sogn and Fjordane has also joined the insurance cooperation in the SpareBank 1 Alliance and become an owner of Samarbeidende Sparebanker AS. SpareBank 1 Sørøst-Norge's gain from the sale of the shares in Samarbeidende Sparebanker AS amounted to NOK 49 million.

Net interest income

Net interest income amounted to NOK 540 million in the third quarter of 2024, up NOK 4 million from the second quarter. Net interest income as a percentage of average total assets was 2.30% at the end of the quarter, unchanged from the second quarter.

Net commission and other income

Net commission and other income amounted to NOK 221 million in the third quarter of 2024, down NOK 17 million from the second quarter. Commissions from estate agency business decreased by NOK 12 million and commissions from the accounting firm decreased by NOK 8 million, while income from money-transfer services increased by NOK 5 million in the third quarter of 2024.

Net income from financial assets

Net income from financial assets amounted to NOK 229 million in the quarter, an increase of NOK 204 million from the second quarter. Recognised dividends amounted to NOK 9 million, which represents a reduction of NOK 5 million from the second quarter.

Income from ownership interests in SpareBank 1 Gruppen and BN Bank ASA totalled NOK 164 million in the quarter, which overall represents an increase of NOK 148 million from the second quarter, NOK 125 million of which was linked to the Eika transaction.

The net profit from other financial investments amounted to NOK 55 million for the quarter, which represents an increase of NOK 59 million from the second quarter. NOK 49 million of this was linked to the Sparebanken Sogn and Fjordane transaction.

Operating expenses

Operating expenses amounted to NOK 377 million in the quarter, which is an increase of NOK 28 million from the second quarter and was mainly due to merger costs and provisions for bonuses. Measured as a percentage of income, the cost level was reduced to 38.0% compared with 43.6% in the previous quarter.

Salaries and other personnel expenses amounted to NOK 216 million in the quarter, a reduction of NOK 21 million from the second quarter. The increase was mainly due to provisions for bonuses.

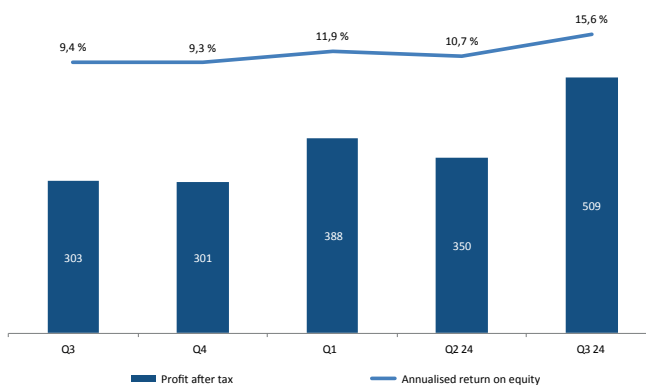
Other operating expenses amounted to NOK 160 million in the quarter, which is an increase of NOK 7 million compared with the previous quarter. Merger costs in the quarter amounted to NOK 31 million compared with NOK 5 million in the previous quarter.

Results for the period 01.01 to 30.09

The Group posted a profit from ordinary operations before losses of NOK 1 567 (1 300) million in the period. Profit after tax was NOK 1 246 (1 010) million, which represents 1.83% (1.50%) of average total assets. The Group's return on equity was 12.7% (10.7%).

Earnings per equity certificate in the parent bank were NOK 4.30 (4.83) and in the Group NOK 5.29 (4.29).

Quarterly performance of profit after tax and return on equity:



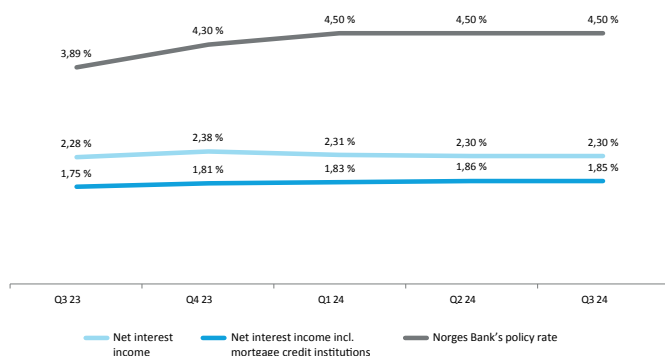
Net interest income

Net interest income amounted to NOK 1 602 (1 496) million. Net interest income as a percentage of average total assets was 2.35% (2.22%). An improvement in net interest income compared with the third quarter of last year was mainly due to a better interest margin. The development of net interest income was influenced by rising interest rates, which have resulted in higher deposit margins. The Bank adjusted its lending and deposit rates due to Norges Bank's successive increases in its policy rate.

At the end of the quarter, the Bank had transferred mortgages worth NOK 28 057 (31 419) million to SpareBank 1 Boligkreditt AS, and NOK 1 360 (1 461) million to SpareBank 1 Næringskreditt AS. Earnings from these loan portfolios

are shown under net commission income and amounted to NOK 97 million (105 million).

Quarterly change in net interest income:



Net commission and other income

Net commission and other income totalled NOK 655 (657) million.

Net commission income

Net commission income amounted to NOK 393 (401) million. The commissions from SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS accounted for NOK 97 (105) million of this.

Other operating income

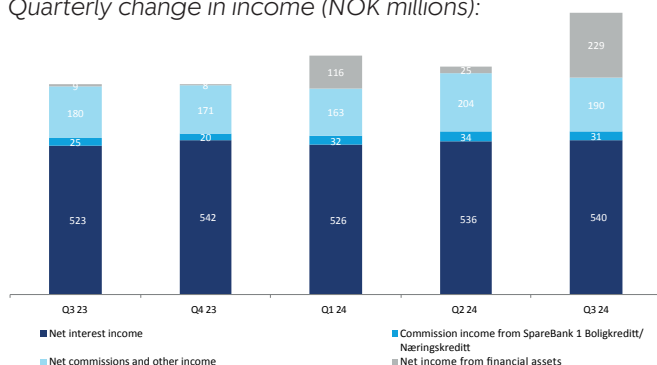
Other operating income amounted to NOK 262 (256) million. Of this, income from the estate agency companies amounted to NOK 188 (175) million and NOK 63 (69) million from the accounting firm.

Net income from financial assets

Net income from financial assets amounted to NOK 370 (94) million. The main items consist of NOK 80 (19) million in dividends received, NOK 211 (47) million in net profit from ownership interests, and net result from other financial investments of NOK 79 (28) million.

The net result from ownership interests includes the results from SpareBank 1 Gruppen AS and BN Bank ASA of NOK 161 (8) million and NOK 50 (39) million, respectively. The indirect ownership interest in SpareBank 1 Gruppen AS is 5.4% and the direct ownership interest in BN Bank ASA is 7.5%. The merger of Fremtind Forsikring AS and Eika Forsikring AS was implemented on 01.07.2024. The transaction increased SpareBank 1 Gruppen's equity by NOK 7 billion. SpareBank 1 Sørøst-Norge's share of this transaction was recognised at NOK 125 million.

Quarterly change in income (NOK millions):



Income from ownership interests, SpareBank 1 Gruppen

SpareBank 1 Gruppen posted a profit for the year to date of NOK 1 667 (267) million before tax and NOK 1 240 (187) after tax, of which NOK 647 (86) million constitutes the controlling interest's share of the profit after tax. The annualised return on equity was 10.0% (1.9%). SpareBank 1 Sørøst-Norge's share of BN Bank's profit amounted to NOK 35 (12) million.

The Fremtind Forsikring Group posted a profit before tax of NOK 1 824 (366) million. The profit from insurance services in the Group amounted to NOK 1 148 million, an increase of NOK 784 million from the same period last year. The claims ratio was 72.4% (74.5%). Last year, the third quarter saw high costs due to Storm Hans, while so far this year there have been fewer claims related to natural disasters. Income from insurance services also increased more than compensation and expenses linked to insurance services. Net income from investments was NOK 1 352 (90) million. Lower market interest rates so far this year have resulted in a positive change in the value of the bond portfolio. Equity performance was 18%, compared with 11% for the same period last year.

SpareBank 1 Forsikring's profit before tax amounted to NOK 410 (195) million for the year to date. Its profit after tax was NOK 315 (148) million. The net financial profit amounted to NOK 196 million, an improvement of NOK 89 million due to positive returns in the company portfolio.

Kreditor reported a result before tax of NOK -143 (-320) million. Kreditor wrote down intangible assets by NOK 85 million in the third quarter.

Income from ownership interests, BN Bank ASA

BN Bank ASA posted a profit after tax at the end of the third quarter of 2024 of NOK 696 (546) million. SpareBank 1 Sørøst-Norge owns 7.5% of BN Bank ASA. SpareBank 1 Sørøst-Norge's share of BN Bank's profit amounted to NOK 50 (39) million.

Operating expenses

Total operating expenses amounted to NOK 1 061 (947) million. NOK 41 (0) million of this was due to merger/one-time costs. Operating expenses increased by NOK 44 million, exclusive of merger costs and provisions for profit sharing (4.6%). The growth in costs was mainly due to more FTEs in customer facing positions, wage growth and higher alliance costs due to ICT investments. Operating expenses as a percentage of total operating income for the Group came to 40.4% (42.2%) or 38.8% (42.2%) exclusive of merger/one-time costs.

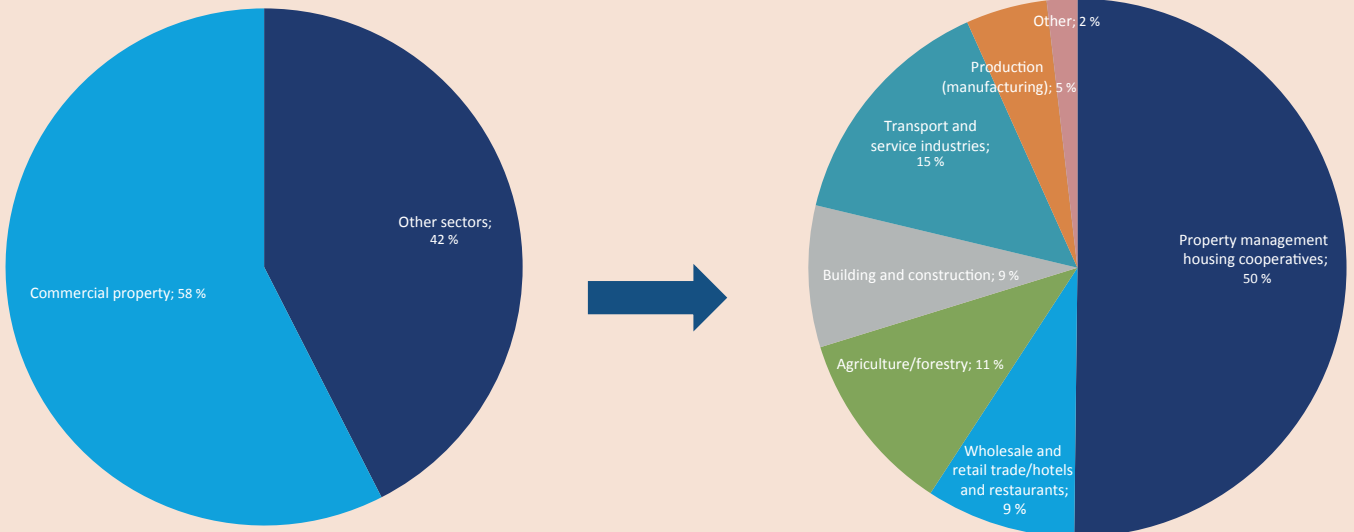
Personnel expenses

Personnel expenses amounted to NOK 606 (536) million. The increase in personnel expenses was due to an increase in the number of FTEs, provisions for profit sharing, as well as general wage growth. The number of FTEs at the end of the quarter was 672 (641), of which the parent bank employed 461 (429).

Other operating expenses

Other operating expenses were NOK 454 (411) million. Merger-related on-off costs amounted to NOK 38 (0) million in 2024.

Corporate market – volume in commercial property and other industries

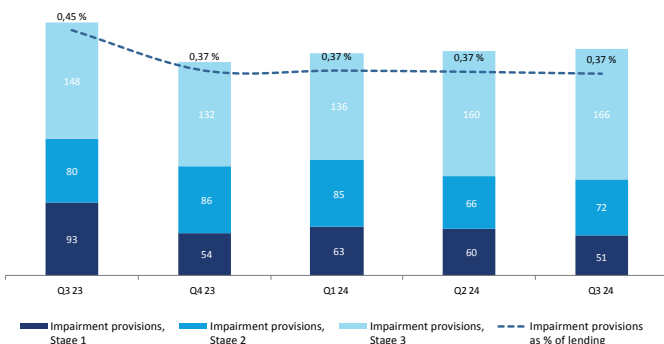


Losses and impairment provisions

Losses charged as costs amounted to NOK 25 (-15) million. Impairment provisions for loans and guarantees amounted to NOK 289 (322) million, which was equivalent to 0.36% (0.45%) of gross lending on the statement of financial position.

The Bank has assessed the IFRS 9 model’s scenario weighting. The scenario weights were unchanged for both the corporate and the retail market portfolio for the current quarter. The weighting includes an increase in the worst-case scenario and reflects the uncertainty about with future economic developments. Please see the more detailed comments in Note 6.

Quarterly change in impairment provisions, accumulated figure:



Statement of financial position performance

The Group’s total assets amounted to NOK 92 088

(90 881) million. The Group’s business capital (total assets including loans transferred to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS) amounted to NOK 121 505 (123 762) million.

Lending and deposit performance

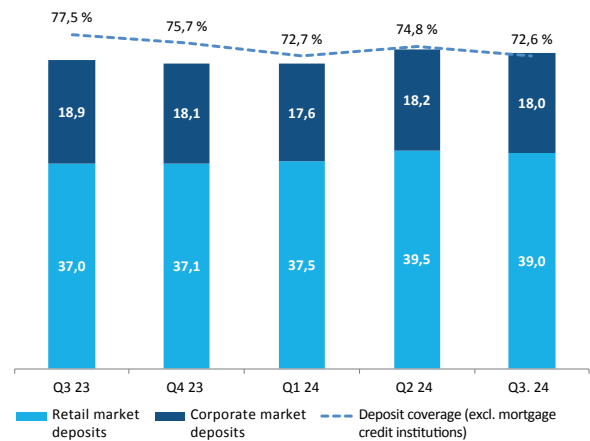
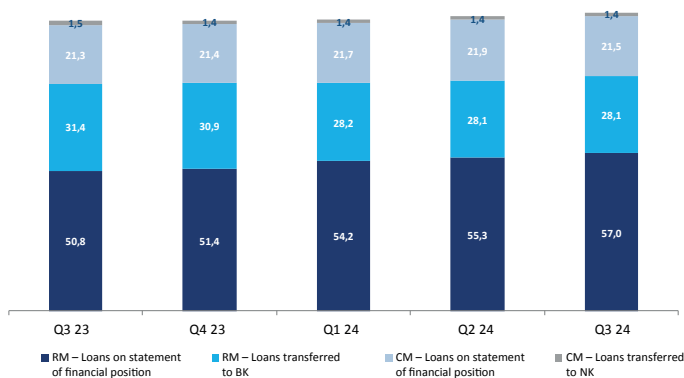
Gross lending (including the volume transferred to SpareBank 1 Boligkreditt AS/SpareBank 1 Næringskreditt AS) amounted to NOK 107 931 million. The past 12 months have seen lending growth of 2.8%. The retail market grew by NOK 2 323 million (2.8%) and the corporate market by NOK 650 million (2.9%). The retail market’s share of lending (including SpareBank 1 Boligkreditt AS) at the end of the quarter was 78% (78%).

At the end of the quarter, the Group had a deposit volume of NOK 57 036 million with deposit growth of 2.1% in the past 12 months. NOK 2 013 million (5.4%) of the growth came in the retail market and NOK -845 million (-4.5%) in the corporate market.

The Group had a deposit coverage ratio of 72.6%, compared with 77.5% at the same time last year. Including the volume transferred to SpareBank 1 Boligkreditt AS/ SpareBank 1 Næringskreditt AS, the deposit coverage ratio amounted to 52.8% (53.2%).

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

Quarterly change in loans and deposits:



Liquidity

The Bank's liquidity situation at the end of the quarter is good. The Bank's liquidity portfolio was valued at NOK 6.2 (10.4) billion and its LCR at 144% (226%). The reduction in the liquidity portfolio was due to selling down in preparation for the upcoming merger with SpareBank 1 SR-Bank. The Bank aims to keep its liquidity risk low. In a normal market, SpareBank 1 Sørøst-Norge's goal is to be able to maintain ordinary operations for a minimum of 12 months without access to new external financing. The Bank was well above this target as at the end of the third quarter.

At the end of the quarter, mortgages totalling NOK 28 057 (31 419) million had been transferred to SpareBank 1 Boligkreditt AS. The total portfolio of loans ready for transfer to SpareBank 1 Boligkreditt AS amounted to NOK 32 427 (26 970) million.

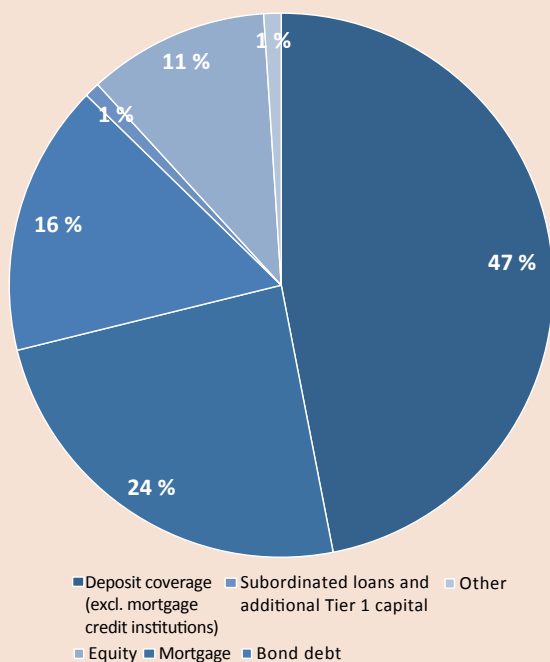
In addition, the Bank has transferred loans to SpareBank 1

Næringskreditt AS worth NOK 1 360 (1 462) million.

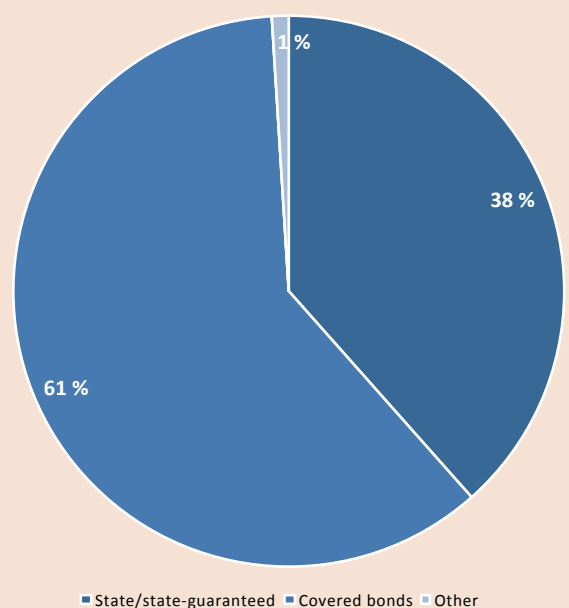
The Group's target was to increase the average term to maturity of its bond debt, including credit institutions, to a minimum of 3.0 years. At the end of the quarter, the average term to maturity was 3.3 (3.6) years and 2.9 (3.2) years on our balance sheet.

The Financial Supervisory Authority of Norway updated three requirements for the Bank in December 2023, where it was decided that SpareBank 1 Sørøst-Norge must have a risk-weighted MREL (total own funds and eligible liabilities) requirement of 28.0%. Given that own funds used to meet risk-weighted MREL cannot simultaneously be used to cover the combined buffer requirement (7.5%), the actual requirement for own funds and eligible liabilities (effective MREL capital) is 37.5% of the adjusted basis for calculation at any given time. Furthermore, based on the "supervision formula" in section 20-7, fifth paragraph,

Funding sources



The liquidity portfolio



letter b of the Financial Institutions Regulations, the Financial Supervisory Authority of Norway has concluded that the Bank must have own funds and subordinated debt totalling a minimum of 30.5% of the adjusted basis for calculation. At the end of the quarter, the Bank had issued NOK 4 755 (4 750) million in subordinated debt (SNP bonds). The Group's risk-weighted MREL is calculated to be 52.8% and its "actual" MREL capital is calculated to be 33.6%. The Group met both MREL requirements at the end of the quarter.

Equity

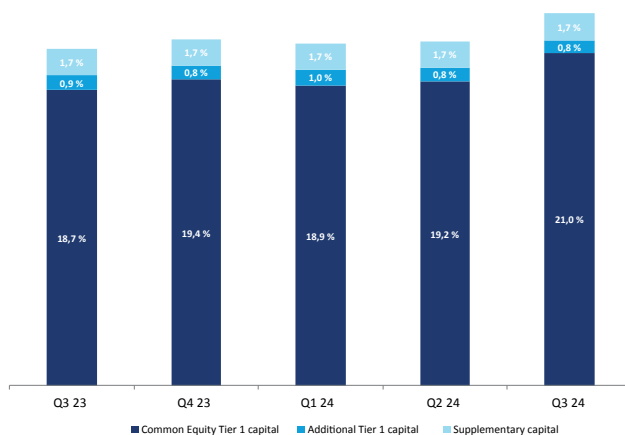
Capital adequacy

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

The regulatory requirement for the Common Equity Tier 1 capital ratio at the end of the third quarter of 2024 pursuant to new Regulations was 15.4% exclusive of the management buffer. The Group's target for the Common Equity Tier 1 capital ratio is 17.0%. At the end of the quarter, the Common Equity Tier 1 capital ratio was 21.0% (18.7%¹⁾ and the leverage ratio was 9.4% (8.0%). The regulatory requirement for the leverage ratio is 3.0%.

The targets for the Common Equity Tier 1 capital ratio and the leverage ratio were met by a good margin at the end of the third quarter of 2024.

Quarterly change in capital adequacy:



¹⁾ As at 30.09.2024, the interim profit has been included in Common Equity Tier 1 capital in its entirety. In the comparable figures as at 30.09.2023, the interim profit was not included in Common Equity Tier 1 capital.

Transactions with close associates

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

Economic outlook

The main scenario for the Norwegian economy in 2024 is that interest rates have peaked, and economic growth will pick up, although there are major differences between industries. Norway's economic growth was low all last year and has been low so far this year. Regional networks indicate that companies are generally planning for small increases in investments towards the end of the year and increasing growth next year, although major differences still exist between industries. Construction companies continue to see low economic activity and weak growth prospects. The results from Regional Network 2/2024 are also confirmed by separate surveys in the region conducted via the "Konjunktur Sørøst" business cycle barometer.

Although inflation has slowed, it is still above Norges Bank's inflation target of 2%. Norges Bank's interest rate committee is of the view that the policy rate will most likely remain unchanged for the rest of 2024. There is some uncertainty about when the policy rate will start being reduced in 2025, which was reinforced in October following presentation of the National Budget for next year. If unemployment rises by more than expected or inflation drops faster, interest rates may be reduced earlier. Persistent weakness in, or a further weakening of, the Norwegian kroner exchange rate could, combined with developments in unemployment and high inflation and wage growth, result in the policy rate being put up. Changes in the policy rate will affect the recovery of the economy and change expectations concerning future economic developments. Higher interest rates and high inflation have resulted in the overall growth in credit for businesses and households being weak and declining. Credit growth is also expected to be weak in the final quarter of 2024 and at the start of 2025.

Outlook for the Group

Because the policy rate is not expected to change in 2024, the main scenario is that money market rates will remain at their current level for the rest of 2024, such that the Bank maintains satisfactory net interest income that will make a positive contribution to the return on equity from Southeast Norway in the third quarter.

A weak or further weakening of the Norwegian krone exchange rate may result in a higher interest rate level than expected. This may affect economic activity in the business sector and among households. At the same time, it is clear that the political and economic uncertainty in the world around us is higher than normal.

The Bank's loan portfolio has proven to be robust throughout the interest rate hikes in 2022 and 2023, and has seen very low losses, including in the current quarter. The assumption that interest rates are nearing their peak has had a positive impact on the outlook for household and corporate finances. In the third quarter, the Group saw a sharp increase in demand for mortgages in the retail market, as well as good lending growth.

The Board considers the quality of the loan portfolio to be good and the credit risk to be prudent. The Bank has seen low losses and has a high proportion of customers with a low loss risk. A high proportion of loans to retail customers also contribute to a stable return on equity. At the end of the third quarter, the Group enjoys very good financial strength and meets its regulatory capital requirements by a good margin. The region has a varied and strong business sector with good profitability and growth prospects and is seeing population growth and moderate rises in house prices.

SpareBank 1 Sørøst-Norge's strategic position and good financial strength will, following the merger with SpareBank 1 SR-Bank, help to bolster SpareBank 1 Sør-Norge's competitiveness, profitability, growth and capacity for paying dividends. SpareBank 1 Sør-Norge wants to be a savings bank and a financial services group with capacity to increase its total lending to Norwegian businesses, with greater lifting power, expertise and networks for local businesses and jobs.

Stavanger, 30.10.2024

The Board of Directors of SpareBank 1 Sør-Norge ASA

Finn Haugan
Chair

Dag Mejdell
Deputy Chair

Maria Tho

Heine Wang

Trine Sæther Romuld

Jan Skogseth

Camilla AC Tefers

Kjetil Skjæveland

Hanne Myhre Gravdal
Employee representative

Eirik P. Elholm
Employee representative

Sally Lund-Andersen
Employee representative

Inge Reinertsen
CEO





Interim financial statements

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

Income Statement IFRS

Parent bank					Group						
2023	Q3 2023	Q3 2024	30.09. 2023	30.09. 2024	(Amounts in NOK millions)	Note	30.09. 2024	30.09. 2023	Q3 2024	Q3 2023	2023
621	174	169	440	519	Interest income - assets measured at fair value		519	440	169	174	621
3 769	992	1 167	2 698	3 400	Interest income - assets measured at amortised cost		3 398	2 697	1 166	991	3 765
2 351	643	796	1 641	2 317	Interest expenses		2 314	1 640	795	642	2 347
2 039	523	540	1 497	1 602	Net interest income	12	1 602	1 496	540	523	2 039
584	142	151	443	435	Commission income		435	443	151	142	584
60	14	15	42	42	Commission expenses		42	42	15	14	60
15	3	4	12	11	Other operating income		262	256	84	77	325
538	131	141	413	403	Net commission and other income	13	655	657	221	205	848
38	0	9	19	80	Dividends		80	19	9	0	38
188	0	0	188	0	Net result from ownership interests		211	47	164	10	44
18	-1	55	28	79	Net result from other financial investments		79	28	55	-1	18
245	-1	65	235	159	Net income from financial assets	14	370	94	229	9	100
2 822	653	745	2 145	2 165	Total net income		2 628	2 248	990	737	2 987
525	122	150	354	414	Personnel expenses		606	536	216	183	767
515	124	151	371	419	Other operating expenses		454	411	160	138	567
1 040	245	301	725	832	Total operating expenses		1 061	947	377	321	1 334
1 782	408	445	1 420	1 333	Profit before losses and tax		1 567	1 300	613	416	1 654
-57	19	6	-15	25	Losses on loans and guarantees	5, 6	25	-15	6	19	-57
1 839	389	439	1 435	1 308	Profit before tax		1 542	1 316	608	397	1 711
396	94	98	301	291	Tax expense		296	306	99	94	400
1 443	295	341	1 135	1 017	Profit before other comprehensive income		1 246	1 010	509	303	1 310
					Controlling interest's share of profit		1 244	1 009	508	303	1 309
					Non-controlling interest's share of profit		3	1	1	0	1
6.05	1.25	1.44	4.83	4.30	Earnings and diluted result per equity certificate before other comprehensive income		5.29	4.29	2.17	1.28	5.47

OCI

Parent bank					Group						
2023	Q3 2023	Q3 2024	30.09. 2023	30.09. 2024	(Amounts in NOK millions)	Note	30.09. 2024	30.09. 2023	Q3 2024	Q3 2023	2023
1 443	295	341	1 135	1 017	Profit for the period		1 246	1 010	509	303	1 310
					<i>Entries that can be reclassified through profit or loss</i>						
-9	-1	-1	-3	-2	Change in value of loans classified at fair value		-2	-3	-1	-1	-9
					Share of OCI from associated companies and joint ventures		2	1	-1	0	2
					<i>Entries that cannot be reclassified through profit or loss</i>						
0		-4		-4	Estimation difference, IAS 19 Pensions		-4		-4		0
-10	-1	-5	-3	-6	Period's OCI		-4	-2	-6	-1	-8
1 434	293	336	1 132	1 011	Total comprehensive income		1 242	1 008	502	302	1 303
					Controlling interest's share of total comprehensive income		1 239	1 007	501	302	1 302
					Non-controlling interest's share of total comprehensive income		3	1	1	0	1

Statement of financial position

Parent bank					Group		
31.12.2023	30.09.2023	30.09.2024	(Amounts in NOK millions)	Note	30.09.2024	30.09.2023	31.12.2023
105	97	97	Cash holdings and receivables from central banks		97	97	105
1 688	2 339	1 270	Loans to and receivables from credit institutions without agreed maturity		1 270	2 339	1 688
761	881	884	Loans to and receivables from credit institutions with agreed maturity		884	881	761
72 646	71 824	78 271	Net lending to customers	4, 6, 7, 8	78 258	71 803	72 625
9 783	10 286	6 245	Interest-bearing securities		6 245	10 286	9 783
2 448	2 705	2 491	Shares and other equity interests		2 491	2 705	2 448
160	153	160	Investments in group companies		0	0	0
1 341	1 341	1 185	Investments in joint ventures and associated companies		1 523	1 414	1 411
234	242	308	Tangible assets		359	283	275
357	357	357	Goodwill		465	458	465
59	39	62	Deferred tax assets		63	40	60
267	438	289	Other assets	16	434	575	382
89 850	90 702	91 620	Total assets		92 088	90 881	90 003
16	43	79	Deposits from and liabilities to credit institutions		79	43	16
55 243	55 925	57 094	Deposits from customers and liabilities to customers	17	57 036	55 869	55 184
19 766	19 903	19 620	Liabilities from the issuance of securities	18	19 620	19 903	19 766
431	311	304	Tax payable		310	314	435
726	1 145	759	Other liabilities and commitments	20	863	1 227	802
751	751	751	Subordinated loan capital	19	751	751	751
76 934	78 079	78 607	Total liabilities		78 660	78 107	76 954
2 100	2 101	2 101	Equity certificate capital		2 101	2 101	2 100
3 779	3 779	3 781	Share premium fund		3 781	3 779	3 779
1 681	839	1 805	Dividend equalisation fund		1 805	839	1 681
4 889	4 344	4 969	Sparebankens Fond		4 969	4 344	4 889
112	91	0	Fund for unrealised gains		0	91	112
350	350	350	Hybrid capital		350	350	350
0	1 113	0	Other equity		407	1 257	127
7	7	7	Gift fund		7	7	7
			Non-controlling interest's share		8	7	6
12 916	12 622	13 013	Total equity		13 428	12 774	13 050
89 850	90 702	91 620	Liabilities and equity		92 088	90 881	90 003

Combined results from the interim financial statements

Group

(Amounts in NOK millions)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2022	Q4 2022
Interest income	1 335	1 314	1 267	1 250	1 165	1 015	956	885
Interest expenses	795	777	741	707	642	524	474	410
Net interest income	540	536	526	542	523	491	483	475
Commission income	151	147	137	140	142	153	148	154
Commission expenses	15	14	13	19	14	13	15	12
Other operating income	84	106	72	69	77	101	78	74
Net commission and other income	221	238	196	191	205	241	211	216
Dividends	9	14	57	19	0	15	3	33
Net result from ownership interests	164	16	31	-3	10	11	26	48
Net result from other financial investments	55	-4	28	-10	-1	25	4	48
Net income from financial assets	229	25	116	6	9	52	33	129
Total net income	990	800	838	740	737	784	727	820
Personnel expenses	216	195	194	230	183	175	177	245
Other operating expenses	160	153	141	156	138	136	137	124
Total operating expenses	377	349	335	386	321	312	314	369
Profit before losses and tax	613	451	503	353	416	472	413	452
Losses on loans and guarantees	6	-5	24	-42	19	-34	-1	29
Profit before tax	608	456	478	395	397	506	413	422
Tax expense	99	106	91	94	94	119	93	80
Profit before other comprehensive income	509	350	388	301	303	387	320	343
Interest hybrid capital	7	9	8	7	7	6	6	6
Profit after tax, incl. interest hybrid capital	501	341	380	293	296	381	314	337

Group

Earnings per equity certificate (quarter in isolation, NOK)	2.17	1.48	1.65	1.27	1.28	1.65	1.36	1.46
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Change in equity

Group

(Amounts in NOK millions)	Equity certificate capital ¹⁾	Share premium fund	Risk equalisation fund	Spare-bankens-fond	Gift fund	Fund for unrealised gains	Hybrid capital	Other equity	Non-controlling interest's share	Total equity
Equity as at 31.12.2023	2 101	3 779	1 681	4 889	7	112	350	127	6	13 051
Interest costs on additional Tier 1 capital			-14	-9						-24
Employee equity certificate savings scheme		2								2
Dividends/gifts from 2022, paid in 2023			-543	-352					-1	-896
Other changes in equity			68	44		-112		52		52
Profit before other comprehensive income			617	400				226	3	1 246
Entries that can be reclassified through profit or loss:										
Change in value of loans classified at fair value			-1	-1						-2
Share of OCI from associated companies and joint ventures								2		2
Entries that cannot be reclassified through profit or loss: Estimation difference, IAS 19 Pensions			-2	-2						-4
Equity as at 30.09.2024	2 101	3 781	1 805	4 969	7	0	350	407	8	13 428

¹⁾ NOK 0.1 million was deducted from equity certificate capital as at 30.09.2024 for the treasury holding
NOK 1.9 million was deducted from equity certificate capital as at 31.12.2023 for the treasury holding

Group

(Amounts in NOK millions)	Equity certificate capital ¹⁾	Share premium fund	Risk equalisation fund	Spare-bankens-fond	Gift fund	Fund for unrealised gains	Hybrid capital	Other equity	Non-controlling interest's share	Total equity
Equity as at 31.12.2022	2 101	3 779	1 413	4 716	7	91	350	310	7	12 775
Interest costs on additional Tier 1 capital								-19		-19
Employee equity certificate savings scheme		-1								-1
Dividends/gifts from 2022, paid in 2023			-574	-372					-2	-948
Other changes in equity ²⁾								-40		-40
Profit before other comprehensive income								1 009	1	1 010
Entries that can be reclassified through profit or loss:										
Change in value of loans classified at fair value								-3		-3
Share of OCI from associated companies and joint ventures								1		1
Equity as at 30.09.2023	2 101	3 779	839	4 344	7	91	350	1 257	7	12 775

¹⁾ NOK 0.9 million was deducted from equity certificate capital as at 30.09.2023 for the treasury holding

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

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

Parent bank

(Amounts in NOK millions)	Equity certificate capital ¹⁾	Share premium fund	Risk equalisation fund	Spare-bankens-fond	Gift fund	Fund for unrealised gains	Hybrid capital	Other equity	Total equity
Equity as at 31.12.2023	2 101	3 779	1 681	4 889	7	112	350	0	12 918
Interest costs on additional Tier 1 capital			-14	-9					-24
Employee equity certificate savings scheme		2							2
Dividends/gifts from 2022, paid in 2023			-543	-352					-895
Other changes in equity			68	44		-112			0
Profit before other comprehensive income			617	400					1 017
Entries that can be reclassified through profit or loss:									
Change in value of loans classified at fair value			-1	-1					-2
Share of OCI from associated companies and joint ventures									
Entries that cannot be reclassified through profit or loss:									
Estimation difference, IAS 19 Pensions			-2	-2					-4
Equity as at 30.09.2024	2 101	3 781	1 805	4 969	7	0	350	0	13 013

¹⁾ NOK 0.1 million was deducted from equity certificate capital as at 30.09.2024 for the treasury holding
NOK 1.9 million was deducted from equity certificate capital as at 31.12.2023 for the treasury holding

Parent bank

(Amounts in NOK millions)	Equity certificate capital ¹⁾	Share premium fund	Risk equalisation fund	Spare-bankens-fond	Gift fund	Fund for unrealised gains	Hybrid capital	Other equity	Total equity
Equity as at 31.12.2022	2 101	3 779	1 413	4 716	7	91	350	0	12 457
Interest costs on additional Tier 1 capital								-19	-19
Employee equity certificate savings scheme		-1							-1
Dividends/gifts from 2022, paid in 2023			-574	-372					-946
Profit before other comprehensive income								1 135	1 135
Entries that can be reclassified through profit or loss:									
Change in value of loans classified at fair value								-3	-3
Equity as at 30.09.2023	2 101	3 779	839	4 344	7	91	350	1 113	12 623

¹⁾ NOK 0.9 million was deducted from equity certificate capital as at 30.09.2023 for the treasury holding

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

Cash flow statement

Parent bank				Group		
31.12.2023	30.09.2023	30.09.2024	(Amounts in NOK millions)	30.09.2024	30.09.2023	31.12.2023
			Cash flow from operating activities			
1 839	1 435	1 308	Period's profit before tax	1 542	1 316	1 711
			Net profit from joint ventures	-211	-47	-44
-3	-3	0	Loss/gain from fixed assets	0	-3	-3
50	38	38	Depreciation and impairments	40	41	54
-57	-15	25	Impairment of loans	25	-15	-57
-307	-307	-431	Tax payable	-431	-312	-312
-37	882	-5 696	Change in lending and other assets	-5 719	878	-42
-40	642	1 851	Change in deposits from customers	1 852	652	-33
-88	-208	-123	Change in loans to and receivables from credit institutions	-123	-208	-88
-1 353	-1 856	3 538	Change in certificates and bonds	3 538	-1 856	-1 353
-24	-153	-36	Change in other receivables	-68	-175	-21
23	90	101	Change in other current liabilities	129	97	14
3	545	712	Net cash flow from operating activities	713	368	-173
			Cash flow from investing activities			
-13	-9	-112	Investments in property, plant and equipment	-114	-9	-14
14	13	0	Sales of property, plant and equipment	1	13	14
-246	-217	-59	Investments in shares, equity certificates and units	-59	-40	-69
264	7	178	Sales of shares, equity certificates and units	178	7	264
18	-207	7	Net cash flow from investing activities	6	-29	195
			Cash flow from financing activities			
3 530	3 530	6 700	Increase in financial borrowing	6 700	3 530	3 530
-3 393	-3 072	-6 938	Repayment of financial borrowing	-6 938	-3 072	-3 393
200	200	100	Borrowing subordinated loans/additional Tier 1 capital	100	200	200
-200	-200	-100	Repayment, subordinated loans / additional Tier 1 capital	-100	-200	-200
-21	-18	-13	Buy-back of own equity certificates for saving programme	-13	-18	-21
-951	-950	-895	Dividends/gifts paid	-895	-950	-951
-835	-509	-1 146	Net cash flow from financing activities	-1 146	-509	-835
-814	-171	-427	Total change in cash and cash equivalents	-427	-171	-814
2 607	2 607	1 794	Cash and cash equivalents OB	1 794	2 607	2 607
1 794	2 437	1 367	Cash and cash equivalents at end of period	1 367	2 437	1 794
-814	-171	-427	Net change in cash and cash equivalents	-427	-171	-814
			Cash and cash equivalents, specified			
105	97	97	Cash holdings and receivables from central banks	97	97	105
1 688	2 339	1 270	Loans to and receivables from credit institutions without agreed maturity	1 270	2 339	1 688
1 794	2 437	1 367	Cash and cash equivalents	1 367	2 437	1 794

Additional specifications

Cash flow from interest received, interest payments and dividends received

Parent bank				Group		
31.12.2023	30.09.2023	30.09.2024	(Amounts in NOK millions)	30.09.2024	30.09.2023	31.12.2023
3 825	2 742	3 452	Interest received on loans to customers	3 450	2 740	3 821
-1 331	-927	-1 351	Interest paid on deposits from customers	-1 349	-926	-1 327
123	85	100	Interest received on loans to and receivables from credit institutions	100	85	123
-1	0	-80	Interest paid on loans to and receivables from credit institutions	-80	0	-1
442	312	367	Interest received on certificates and bonds	367	312	442
-984	-687	-860	Interest paid on certificates and bonds	-860	-687	-984
227	207	80	Dividends from investments	80	66	38
2 302	1 731	1 708	Net cash flow from interest received, interest payments and dividends received	1 708	1 589	2 113



Notes to the financial statements

Note 1 – Accounting policies

The interim report for SpareBank 1 Sørøst-Norge covers the period 01.01-30.09.2024. The interim financial statements have been prepared in conformity with IAS 34 Interim Financial Reporting. The interim financial statements have undergone simplified auditor control.

The interim report does not include all the information required in full financial statements and should be read

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

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

Note 2 – Critical accounting estimates

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

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

Impairment of loans

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

The Bank's loss model provides proposed key assumptions for calculating expected credit loss (ECL) using regression analysis and simulation. Future default levels (PDs) are predicted based on expected developments in

money market rates and unemployment. The future loss level (LGD) is simulated based on security values and price development expectations for various security objects. Norges Bank's Monetary Policy Report has been chosen as the main source for the explanatory variables interest rates, unemployment and property price developments. The management's estimates and discretionary assessments of expected developments in default and loss levels (PD and LGD) were largely based on macro forecasts from Monetary Policy Report (PPR) 3/24.

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

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

Note 3 – Capital adequacy

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

The total requirement for the Common Equity Tier 1 capital ratio for SpareBank 1 Sørøst-Norge was 15.4%

exclusive of the management buffer at the end of the third quarter of 2024. The Group's target for the Common Equity Tier 1 capital ratio is 17.0%. At the end of the third quarter of 2024, the Common Equity Tier 1 capital ratio was 21.0% (18.7%) and the leverage ratio was 9.4% (8.0%). The regulatory requirement for Tier 1 capital is 3.0%. Both targets were met by a good margin by the end of the third quarter of 2024.

As at 30.09.2024, the interim profit has been included in Common Equity Tier 1 capital.

Parent bank				Group		
31.12.2023	30.09.2023	30.09.2024	(Amounts in NOK millions)	30.09.2024	30.09.2023	31.12.2023
12 566	12 272	12 663	Total capitalised equity (excluding hybrid capital)	13 078	12 424	12 700
-896	-1 132	0	Capitalised equity not included in Tier 1 capital	0	-1 132	-896
			Tier 1 capital from companies included in the consolidated accounts that can be included	110	185	156
			Minority interests that cannot be included in Common Equity Tier 1 capital	-8	-7	-6
-16	-17	-12	Value adjustments on shares and bonds measured at fair value (AVA)	-20	-25	-24
			Other intangible assets	-5	-7	-5
			Positive values of adjusted expected loss	-76	-72	-77
-357	-357	-357	Deduction for goodwill	-465	-458	-465
-176	-184	-176	Deduction for non-material interests in the financial sector	-176	-184	-176
-767	-927	-704	Deduction for material interests in the financial sector		0	
10 356	9 656	11 414	Total Common Equity Tier 1 capital	12 439	10 724	11 207
350	350	350	Hybrid capital	350	350	350
			Hybrid capital issued by companies included on the consolidated accounts that can be included	135	158	130
10 706	10 006	11 764	Total Tier 1 capital	12 923	11 232	11 687
			Supplementary capital in excess of Tier 1 capital			
745	745	745	Time-limited primary capital	745	745	745
			Primary capital issued by companies included on the consolidated accounts that can be included	278	213	216
11 451	10 751	12 509	Net primary capital	13 946	12 190	12 648

Parent bank				Group		
31.12.2023	30.09.2023	30.09.2024	(Amounts in NOK millions)	30.09.2024	30.09.2023	31.12.2023
			Risk-weighted basis for calculation			
41 639	41 693	43 230	Assets not included in the trading portfolio	53 831	52 463	52 271
4 196	3 782	4 196	Operational risk	4 956	4 323	4 956
49	58	43	CVA surcharge (counterparty risk on derivatives)	536	585	688
45 884	45 533	47 469	Total basis for calculation	59 323	57 371	57 916
22.6%	21.2%	24.0%	Common Equity Tier 1 capital ratio	21.0%	18.7%	19.4%
23.3%	22.0%	24.8%	Tier 1 capital ratio	21.8%	19.6%	20.2%
25,0 %	23,6 %	26.4%	Capital adequacy	23.5%	21.2%	21.8%
11.5%	10.7%	12.4%	Leverage ratio	9.4%	8.0%	8.5%
			Buffer requirements			
1 147	1 138	1 187	Capital conservation buffer (2.5%)	1 483	1 434	1 448
1 147	1 138	1 187	Countercyclical buffer (2.5%)	1 483	1 434	1 448
2 065	1 366	2 136	Systemic risk buffer 4.5% (3.0%)	2 670	1 721	2 606
4 359	3 643	4 510	Total buffer requirement for Common Equity Tier 1 capital	5 636	4 590	5 502
2 065	2 049	2 136	Minimum requirement for Common Equity Tier 1 capital (4.5%)	2 670	2 582	2 606
3 932	3 965	4 769	Available Common Equity Tier 1 capital in excess of minimum requirement	4 133	3 552	3 099

Parent bank				Group		
31.12.2023	30.09.2023	30.09.2024	Specification of risk-weighted credit risk (Amounts in NOK millions)	30.09.2024	30.09.2023	31.12.2023
60	59	0	Governments and central banks	157	69	70
492	596	26	Local and regional authorities	62	692	637
10	10	0	Publicly owned companies	0	10	12
214	260	238	Institutions	776	684	728
8 434	8 617	8 614	Companies	10 329	10 249	10 147
5 924	5 897	5 957	Mass market	14 636	15 158	14 826
19 370	19 182	21 330	Collateral security in real estate	21 669	19 636	19 816
708	681	830	Exposures past due	903	741	762
2 105	2 010	2 040	High-risk exposures	2 040	2 010	2 105
499	523	378	Covered bonds	691	754	801
338	468	254	Receivables from institutions and companies with short-term ratings	254	468	338
46	73	55	Shares in securities funds	55	73	46
2 989	2 939	2 931	Equity items	1 627	1 487	1 475
450	377	578	Other exposures	632	431	507
41 639	41 693	43 230	Total credit risk	53 831	52 463	52 271

Note 4 – Segment Information

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

The segment reporting for the Bank's supreme decision-

making body (the Board of Directors) is divided into the following areas: retail market (RM) and corporate market (CM).

Group eliminations are shown together with undivided operations in a separate column.

Group 30.09.2024

(Amounts in NOK millions)	RM	CM	Not allocated	Total
Profit				
Net interest income	935	667	0	1 602
Net commission and other income	755	281	-10	1 026
Operating expenses	758	313	-11	1 060
Profit before losses	932	635	0	1 567
Losses on loans and guarantees	4	20		25
Profit before tax	927	615	0	1 543

(Amounts in NOK millions)	RM	CM	Not allocated	Total
Statement of financial position				
Net lending to customers	57 977	20 294	-13	78 258
Other assets			13 846	13 846
Total assets per segment	57 977	20 294	13 833	92 104
Deposits from and liabilities to customers	39 424	17 670	-58	57 036
Other equity and liabilities			35 068	35 068
Total equity and debt per segment	39 424	17 670	35 010	92 104

Group 30.09.2023

(Amounts in NOK millions)	RM	CM	Not allocated	Total
Profit				
Net interest income	859	638	-1	1 496
Net commission and other income	547	214	-9	751
Operating expenses	670	286	-9	947
Profit before losses	736	565	-1	1 300
Losses on loans and guarantees	-16	0		-15
Profit before tax	752	565	-1	1 316

Group 30.09.2023

(Amounts in NOK millions)	RM	CM	Not allocated	Total
Statement of financial position				
Net lending to customers	51 831	19 993	-21	71 803
Other assets			19 078	19 078
Total assets per segment	51 831	19 993	19 057	90 881
Deposits from and liabilities to customers	37 482	18 444	-57	55 869
Other equity and liabilities			35 012	35 012
Total equity and debt per segment	37 482	18 444	34 955	90 881

Group 31.12.2023

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

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

Note 5 – Impairment of loans

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

Group

(Amounts in NOK millions)	30.09.2024	30.09.2023	31.12.2023
Changes in IFRS 9 provisions	20	-18	-50
Effect of changed scenario weights	0	0	-8
Confirmed losses (net)	4	2	6
Receipts on previously recognised impairments	-4	-1	-4
Other corrections/amortisation of impairments	5	1	0
Losses on loans and guarantees in the period	25	-15	-57

Note 6 – Impairment provisions for loans and guarantees

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

(Amounts in NOK millions)

	Group			
Impairment provisions for loans and guarantees 30.09.2024	Stage 1	Stage 2	Stage 3	Total
Opening balance	54	86	132	272
Impairment provisions transferred to Stage 1	20	-19	-1	0
Impairment provisions transferred to Stage 2	-4	6	-2	0
Impairment provisions transferred to Stage 3	0	-7	7	0
New financial assets issued or purchased	4	2	2	8
Increase in existing loans	16	38	64	118
Reduction in existing loans	-37	-24	-1	-62
Financial assets that have been deducted	-3	-9	-8	-19
Changes due to recognised impairments (recognised losses)	0	0	-28	-28
Closing balance	51	72	166	289
- reversal of impairment provisions related to fair value through OCI	-14			-14
Capitalised impairment provisions at the end of the period	37	72	166	275
Of which, impairment provisions for capitalised loans	26	69	161	256
Of which, impairment provisions for unused credits and guarantees	11	3	5	19
Of which, impairment provisions, corporate market	27	51	118	195
Of which, impairment provisions, retail market	10	21	48	80

(Amounts in NOK millions)

Group

Impairment provisions for loans and guarantees 30.09.2023	Stage 1	Stage 2	Stage 3	Total
Opening balance	109	85	160	353
Impairment provisions transferred to Stage 1	21	-20	-1	0
Impairment provisions transferred to Stage 2	-7	7	0	0
Impairment provisions transferred to Stage 3	-1	-5	5	0
New financial assets issued or purchased	12	6	3	21
Increase in existing loans	36	50	46	131
Reduction in existing loans	-62	-24	-4	-90
Financial assets that have been deducted	-15	-18	-23	-57
Changes due to recognised impairments (recognised losses)	0	0	-37	-37
Closing balance	93	80	148	322
- reversal of impairment provisions related to fair value through OCI	-24			-24
Capitalised impairment provisions at the end of the period	69	80	148	298
Of which, impairment provisions for capitalised loans	55	75	144	275
Of which, impairment provisions for unused credits and guarantees	14	5	4	23
Of which, impairment provisions, corporate market	60	50	109	219
Of which, impairment provisions, retail market	9	30	40	79

(Amounts in NOK millions)

Group

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

Sensitivity analysis – loss model

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

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

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

Scenario weights used as at 30.09.2024

(Amounts in NOK millions)	Weight RM/CM	RM	CM	Total
Scenario 1 (normal case)	80%/80%	64	140	205
Scenario 2 (worst case)	15%/15%	23	51	74
Scenario 3 (best case)	5%/5%	3	7	10
Total estimated IFRS 9 provisions		90	198	289
Reversal of impairment provisions related to fair value through OCI and other adjustments		-11	-3	-14
Capitalised impairment provisions for the parent bank as at 30.09.2024		80	195	275

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

(Amounts in NOK millions)	Weight RM/CM	RM	CM	Total
Scenario 1 (normal case)	100%/100%	82	173	254
Scenario 2 (worst case)	100%/100%	153	341	494
Scenario 3 (best case)	100%/100%	62	138	201

	30.09.2024	30.09.2023	31.12.2023
Scenario weights used	Weight RM/CM	Weight RM/CM	Weight RM/CM
Scenario 1 (normal case)	80%/80%	80%/75%	80%/80%
Scenario 2 (worst case)	15%/15%	15%/20%	15%/15%
Scenario 3 (best case)	5%/5%	5%/5%	5%/5%

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

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

(Amounts in NOK millions)		Group 30.09.2024			
Lending to customers	Stage 1	Stage 2	Stage 3	Total	
Opening balance	61 820	6 841	684	69 345	
Loans transferred to Stage 1	1 855	-1 851	-5	0	
Loans transferred to Stage 2	-1 544	1 569	-25	0	
Loans transferred to Stage 3	-71	-213	284	0	
New financial assets issued or purchased	12 179	347	34	12 561	
Increase in existing loans	12 227	1 026	33	13 286	
Reduction in existing loans	-12 914	-1 206	-105	-14 225	
Financial assets that have been deducted	-5 370	-636	-82	-6 089	
Changes due to recognised impairments (recognised losses)	0	-2	-46	-49	
Closing balance ¹⁾	68 183	5 874	774	74 831	
Impairment provisions as % of gross lending	0.1%	1.2%	21.4%	0.4%	
Hence the loan to Corporate Market	17 337	3 434	519	21 289	
Hence the loan to Retail Market	50 847	2 440	255	53 541	

(Amounts in NOK millions)		Group 30.09.2023			
Lending to customers	Stage 1	Stage 2	Stage 3	Total	
Opening balance	64 530	4 052	659	69 241	
Loans transferred to Stage 1	1 084	-1 063	-21	0	
Loans transferred to Stage 2	-2 201	2 207	-7	0	
Loans transferred to Stage 3	-64	-141	205	0	
New financial assets issued or purchased	10 196	482	7	10 685	
Increase in existing loans	12 013	535	107	12 656	
Reduction in existing loans	-11 321	-598	-107	-12 027	
Financial assets that have been deducted	-10 952	-921	-127	-12 001	
Changes due to recognised impairments (recognised losses)	-5	0	-42	-47	
Changes due to reversals of previous impairments (recognised)	1	0	2	3	
Closing balance ¹⁾	63 281	4 553	676	68 510	
Impairment provisions as % of gross lending	0.1%	1.8%	21.9%	0.4%	
Hence the loan to Corporate Market	18 656	1 892	463	21 011	
Hence the loan to Retail Market	44 625	2 661	213	47 499	

(amounts in NOK millions)	Group 31.12.2023			
Lending to customers	Stage 1	Stage 2	Stage 3	Total
Opening balance	64 530	4 052	659	69 241
Loans transferred to Stage 1	925	-903	-22	0
Loans transferred to Stage 2	-3 306	3 318	-12	0
Loans transferred to Stage 3	-94	-150	244	0
New financial assets issued or purchased	12 109	1 245	17	13 371
Increase in existing loans	13 867	1 159	115	15 141
Reduction in existing loans	-13 405	-839	-132	-14 376
Financial assets that have been deducted	-12 803	-1 039	-137	-13 979
Changes due to recognised impairments (recognised losses)	-5	0	-49	-54
Changes due to reversals of previous impairments (recognised)	1	0	2	3
Closing balance ¹⁾	61 820	6 841	684	69 345
Impairment provisions as % of gross lending	0.1%	1.3%	19.3%	0.4%
Hence the loan to Corporate Market	17 005	3 977	430	21 412
Hence the loan to Retail Market	44 815	2 864	254	47 933

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



Note 8 – Loans to customers by sector and industry

Parent bank				Group		
31.12.2023	30.09.2023	30.09.2024	(Amounts in NOK millions)	30.09.2024	30.09.2023	31.12.2023
51 431	50 791	56 476	Employees, etc.	56 476	50 791	51 431
12 666	12 601	13 049	Property management/business services, etc.	13 036	12 580	12 645
3 858	3 791	3 987	Property management housing cooperatives	3 987	3 791	3 858
928	881	920	Wholesale and retail trade/hotels and restaurants	920	881	928
1 042	1 028	1 074	Agriculture/forestry	1 074	1 028	1 042
909	955	874	Building and construction	874	955	909
1 348	1 286	1 471	Transport and service Industries	1 471	1 286	1 348
514	573	492	Production (manufacturing)	492	573	514
187	193	183	Other	183	193	187
72 883	72 099	78 527	Gross lending	78 513	72 077	72 862
20 140	19 438	19 762	- Of which, measured at amortised cost	19 749	19 417	20 119
49 226	49 094	55 082	- Of which, measured at fair value through OCI	55 082	49 094	49 226
3 517	3 567	3 683	- Of which, fixed rate loans measured at fair value through profit or loss	3 683	3 567	3 517
-237	-275	-256	- Impairment provisions for loans	-256	-275	-237
72 646	71 824	78 271	Net lending	78 258	71 803	72 625
72 883	72 099	78 527	Gross lending	78 513	72 077	72 862
30 892	31 419	28 057	Gross lending transferred to SB1 Boligkreditt	28 057	31 419	30 892
1 449	1 462	1 360	Gross lending transferred to SB1 Næringskreditt	1 360	1 462	1 449
105 225	104 979	107 944	Gross lending, incl. SpareBank 1 Boligkreditt/Næringskreditt	107 931	104 958	105 204

Note 9 – Transfer of financial assets

SpareBank 1 Sørøst-Norge has signed an agreement for the legal sale of loans with high security and collateral in real estate to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS. All the transferred loans are derecognised on the Bank's statement of financial position. In accordance with the management agreement entered into with these two companies in the Alliance, the Bank manages the loans and maintains customer contact. In addition to the sales price, the Bank receives a payment in the form of regular commission for the loans. SpareBank 1 Sørøst-Norge owned a stake of 10.3% in SpareBank 1 Boligkreditt AS as at the end of the third quarter of 2024 and its book value of transferred loans amounted to NOK 28.1 billion.

SpareBank 1 Sørøst-Norge owns a 10.0% stake in SpareBank 1 Næringskreditt AS and transferred loans to it worth NOK 1.4 billion.

SpareBank 1 Sørøst-Norge and other owners had agreed to establish a liquidity facility for SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS. These agreements were terminated as of 26.03.2024 and an agreement on the establishment of a liquidity facility for SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS no longer applies.

For further information, see Notes 2 and 9 in the annual financial statements for 2023.

Note 10 – Financial derivatives

General description

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

Counterparty risk linked to derivatives is mitigated

Group

Fair value hedging (Amounts in NOK millions)	30.09.2024	30.09.2023	31.12.2023
Net recognition of hedging instruments	-23	181	-32
Net recognition of hedged items	32	-183	28
Total fair value hedging	9	-2	-5
Accumulated hedging adjustments for hedged items	-152	-443	-220

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

Fair value hedging

The Bank has hedged fixed rate borrowing with a capitalised value of NOK 6 176 million. The borrowing is hedged 1:1 through external contracts where the term to maturity and fixed rate of the hedged item and hedging transaction match. The Bank prepares quarterly documentation of the effectiveness of the hedging instrument in relation to the hedged item. A total of 11 transactions involving borrowing were hedged as at 30.09.2024.

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

Group

(Amounts in NOK millions)	30.09.2024			30.09.2023			31.12.2023		
	Contract sum	Fair value Assets	Liabilities	Contract sum	Fair value Assets	Liabilities	Contract sum	Fair value Assets	Liabilities
Interest rate instruments									
Interest rate swap agreements – hedging of customer-related assets at fair value through profit or loss	3 545	97	5	3 480	192	1	3 495	116	10
Interest rate swap agreements – hedging of fixed income securities	249	3	5	249	6	0	249	3	0
Interest rate swap agreements – hedging of fair value of fixed rate borrowing	6 167	75	162	7 700	25	369	7 200	61	224
Total interest rate instruments	9 961	175	172	11 429	222	370	10 944	180	234

Note 11 – Liquidity risk

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

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

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

The average time to maturity for the Bank's bond debt was 2.9 years (3.2) years at the end of the quarter.

The liquidity reserve (LCR) was 144% (226%) at the end of the quarter and the average LCR is 207% (237%) for the year to date in 2024.

Note 12 – Net interest income

Parent bank				Group		
31.12.2023	30.09.2023	30.09.2024	(Amounts in NOK millions)	30.09.2024	30.09.2023	31.12.2023
			Interest income			
123	85	100	Interest rates on loans to credit institutions at amortised cost	100	85	123
1 301	940	1 062	Interest on loans to customers at amortised cost	1 060	939	1 297
2 346	1 673	2 238	Interest on loans to customers at fair value through OCI and expenses	2 238	1 673	2 346
3 769	2 698	3 400	Total interest income - assets measured at amortised cost	3 398	2 697	3 765
179	128	152	Interest on loans to customers at fixed rates	152	128	179
442	312	367	Interest on securities at fair value	367	312	442
621	440	519	Total interest income - assets measured at fair value	519	440	621
4 390	3 138	3 919	Total interest income	3 916	3 136	4 386
			Interest expenses			
1	0	80	Interest and similar expenses for liabilities to credit institutions	80	0	1
1 331	927	1 351	Interest and similar expenses for deposits from and liabilities to customers	1 348	926	1 327
943	657	825	Interest and similar expenses for issued securities	825	657	943
41	29	36	Interest and similar expenses for subordinated loan capital	36	29	41
36	27	25	Other interest expenses and similar expenses	25	27	36
2 351	1 641	2 317	Total interest expenses	2 314	1 640	2 347
2 039	1 497	1 602	Net interest income	1 602	1 496	2 039

Note 13 – Net commission and other income

Parent bank				Group		
31.12.2023	30.09.2023	30.09.2024	(Amounts in NOK millions)	30.09.2024	30.09.2023	31.12.2023
			Commission income			
11	8	7	Guarantee commission	7	8	11
19	14	16	Credit brokerage	16	14	19
30	24	23	Securities trading and management	23	24	30
236	170	178	Payment services	178	170	236
144	110	102	Insurance services	102	110	144
20	13	12	Other commission income	12	13	20
125	105	97	Commission from SpareBank 1 Boligkreditt and Næringskreditt	97	105	125
584	443	435	Total commission income	435	443	584
			Commission expenses			
47	35	36	Payment services	36	35	47
13	6	7	Other commission expenses	7	6	13
60	42	42	Total commission expenses	42	42	60
523	401	393	Net commission income	393	401	523
			Other operating income			
5	3	3	Operating income from real estate	3	3	5
3	3	0	Profit from the sale of fixed assets	0	3	3
7	6	7	Other operating income	7	6	11
0	0	0	Operating income from estate agency business	188	175	220
0	0	0	Operating income from accounting firms	63	69	87
15	12	11	Total other operating income	262	256	325
538	413	403	Net commission and other income:	655	657	848

Note 14 – Net result from other financial investments

Parent bank				Group		
31.12.2023	30.09.2023	30.09.2024	(Amounts in NOK millions)	30.09.2024	30.09.2023	31.12.2023
29	30	60	Income from shares	60	30	29
-13	-25	0	Income from bonds and certificates	0	-25	-13
-14	11	7	Income from financial derivatives	7	11	-14
15	12	13	Net income from foreign exchange trading	13	12	15
18	28	79	Net result from other financial investments	79	28	18

Note 15 – Financial instruments at fair value

Financial instruments at fair value are classified at different levels.

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

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

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

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

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

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

The Group's assets and liabilities measured at fair value as at 30.09.2024

Assets (Amounts in NOK millions)	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
- Fixed-rate loans			3 683	3 683
- Mortgages at fair value through OCI			55 082	55 082
- Interest-bearing securities	49	6 196		6 245
- Shares, units and equity certificates	91		2 400	2 491
- Financial derivatives		175		175
Total assets	140	6 370	61 164	67 674
Liabilities				
Financial liabilities at fair value				
- Securities issued		6 120		6 120
- Financial derivatives		172		172
Total liabilities		6 292		6 292

The Group's assets and liabilities measured at fair value as at 30.09.2023

Assets (Amounts in NOK millions)	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
- Fixed-rate loans			3 567	3 567
- Mortgages at fair value through OCI			49 094	49 094
- Interest-bearing securities	47	10 238		10 286
- Shares, units and equity certificates	227		2 479	2 705
- Financial derivatives		222		222
Total assets	274	9 008	55 139	64 421
Liabilities				
Financial liabilities at fair value				
- Securities issued		6 619		6 619
- Financial derivatives		370		370
Total liabilities		6 989		6 989

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

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

Changes in instruments classified as Level 3 as at 30.09.2024

(amounts in NOK millions)	Fixed rate loans	Shares at fair value through profit or loss	Lending at fair value through OCI
Opening balance 01.01.2024	3 517	2 370	49 226
Additions	392	55	21 826
Disposals	-226	-22	-15 970
Net gain/loss on financial instruments		-3	
Closing balance 30.09.2024	3 683	2 400	55 082

Changes in instruments classified as Level 3 as at 30.09.2023

(amounts in NOK millions)	Fixed rate loans	Shares at fair value through profit or loss	Lending at fair value through OCI
Opening balance 01.01.2023	3 611	2 397	49 122
Additions	370	65	19 056
Disposals	-413	-8	-19 085
Net gain/loss on financial instruments		24	
Closing balance 30.09.2023	3 567	2 479	49 094

Changes in instruments classified as Level 3 as at 31.12.2023

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

Note 16 – Other assets

Parent bank				Group		
31.12.2023	30.09.2023	30.09.2024	(Amounts in NOK millions)	30.09.2024	30.09.2023	31.12.2023
49	43	47	Prepaid, unaccrued costs, and accrued income not yet received	183	167	163
38	172	67	Other assets	76	186	39
180	222	175	Derivatives and other financial instruments at fair value	175	222	180
267	438	289	Total other assets	434	575	382

Note 17 – Deposits from customers by sector and industry

Parent bank				Group		
31.12.2023	30.09.2023	30.09.2024	(Amounts in NOK millions)	30.09.2024	30.09.2023	31.12.2023
37 113	36 999	39 012	Employees, etc.	39 012	36 999	37 113
5 858	6 361	6 000	Property management/business services, etc.	5 942	6 305	5 799
260	290	259	Property management housing cooperatives	259	290	260
1 605	1 702	1 573	Wholesale and retail trade/hotels and restaurants	1 573	1 702	1 605
585	905	634	Agriculture/forestry	634	905	585
1 628	1 414	1 588	Building and construction	1 588	1 414	1 628
4 656	4 692	4 790	Transport and service Industries	4 790	4 692	4 656
889	919	859	Production (manufacturing)	859	919	889
2 346	2 284	2 002	Public administration	2 002	2 284	2 346
304	358	377	Other	377	358	304
55 243	55 925	57 094	Total deposits	57 036	55 869	55 184

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

SpareBank 1 Sørøst-Norge issues and redeems securities issued as part of its liquidity management. The refinancing requirement has also been partly funded by the transfer of the loan portfolio to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS.

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

Figures have not been prepared for the parent bank, since they are almost identical to the Group's figures.

Group (Amounts in NOK millions)	30.09.2024	30.09.2023	31.12.2023
Loans from credit institutions	0	0	0
Bond debt	14 822	15 386	15 065
Subordinated debt, SNP bonds	4 755	4 750	4 750
Value adjustments and accrued interest	43	-233	-49
Total interest-bearing securities	19 620	19 903	19 766

Change in financial borrowing

Group (Amounts in NOK millions)	30.09.2024	Issued	Due/redeemed	31.12.2023
Loans from credit institutions	0	2 750	-2 750	0
Bond debt	14 822	3 500	-3 743	15 065
Subordinated debt, SNP bonds	4 755	450	-445	4 750
Value adjustments and accrued interest	43		92	-49
Total interest-bearing securities	19 620	6 700	-6 846	19 766

Group (Amounts in NOK millions)	30.09.2023	Issued	Due/redeemed	31.12.2022
Bond debt	15 386	2 280	-3 072	16 178
Subordinated debt, SNP bonds	4 750	1 250	0	3 500
Value adjustments and accrued interest	-233		-124	-108
Total interest-bearing securities	19 903	3 530	-3 196	19 570

Group (Amounts in NOK millions)	31.12.2023	Issued	Due/redeemed	31.12.2022
Bond debt	15 065	2 280	-3 393	16 178
Subordinated debt, SNP bonds	4 750	1 250	0	3 500
Value adjustments and accrued interest	-49		59	-108
Total interest-bearing securities	19 766	3 530	-3 334	19 570

Note 19 – Subordinated loan capital

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

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

Time-limited subordinated bonds loans

Group (Amounts in NOK millions)	30.09.2024	30.09.2023	31.12.2023
Subordinated loan capital	745	745	745
Value adjustments and accrued interest	6	6	6
Total subordinated loan capital	751	751	751

Change in subordinated loan capital

Group (Amounts in NOK millions)	30.09.2024	Issued	Due/redeemed	31.12.2023
Subordinated loan capital	745	0	0	745
Value adjustments and accrued interest	6		0	6
Total subordinated loan capital	751	0	0	751

Group (Amounts in NOK millions)	30.09.2023	Issued	Due/redeemed	31.12.2022
Subordinated loan capital	745	200	-200	745
Value adjustments and accrued interest	6	0	2	4
Total subordinated loan capital	751	200	-198	749

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

Note 20 – Other liabilities

Parent bank			(Amounts in NOK millions)	Group		
31.12.2023	30.09.2023	30.09.2024		30.09.2024	30.09.2023	31.12.2022
124	77	108	Accrued expenses and received unearned income	143	82	137
19	23	19	Provisions for guarantees	19	23	19
58	65	127	IFRS 16 liabilities related to leases	140	64	58
108	103	112	Pension liabilities	112	104	109
183	507	220	Other liabilities	275	583	244
234	370	172	Derivatives and other financial instruments at fair value	172	370	234
726	1 145	759	Total other liabilities	863	1 227	802

Note 21 – Earnings per equity certificate and calculation of the equity certificate fraction

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

Parent bank	
Equity certificate fraction (Amounts in NOK millions)	30.09.2024
Equity certificate capital	2 101
Share premium fund	3 781
Dividend equalisation fund, excl. other equity	1 805
Total equity certificate holders' capital	7 687
Sparebankens Fond, excl. other equity	4 969
Gift fund	7
Total community-owned capital	4 976
Equity excl. dividends, gifts, hybrid capital and other equity	12 663
Equity certificate fraction	60.7%
Community capital	39.3%

Parent bank	
	30.09.2024
Based on profit divided between equity certificate holders and community capital (NOK millions)	993
Average number of equity certificates issued	140 098 561
Earnings per equity certificate (NOK)	4.30
Market price (NOK)	68.01
Nominal Value (NOK)	15.00
Corrected result (amounts in NOK millions)	
Profit before other comprehensive income	1 017
- corrected for interest on additional Tier 1 capital recognised directly against equity	-24
Adjusted profit	993

Note 22 – Equity certificate holders and distribution of equity certificates

Equity certificate holders

The Bank's equity certificate capital (capital paid in via equity certificates) amounts to NOK 2 101 478 427 divided into 140 098 561 equity certificates, each with a nominal value of NOK 15.00.

SpareBank 1 Sørøst-Norge owned 7 359 equity certificates at the end of the quarter. The ownership fraction was 60.7%. Equity certificate holders are represented by 11 out of 28 members (voting) on the Supervisory Board.

There were 5 900 (5 833) equity certificate holders as at the end of the third quarter of 2024 (2023). The 20 largest owners were:

	Quantity	% of total number of equity certificates
SPAREBANK 1 STIFTELSEN BV	24 141 356	17.2%
SPAREBANKSTIFTELSEN TELEMARK	18 910 174	13.5%
SPAREBANKSTIFTELSEN SPAREBANK 1 MODUM	18 444 646	13.2%
SPAREBANKSTIFTELSEN NØTTERØY-TØNSBERG	10 925 503	7.8%
SPAREBANKSTIFTELSEN NOME	10 273 723	7.3%
SPESIALFONDET BOREA UTBYTTE	3 599 107	2.6%
VPF EIKA EGENKAPITALBEVIS	3 070 071	2.2%
SKANDINAVISKA ENSKILDA BANKEN AB (PARETO INVEST NORGE AS)	2 871 322	2.0%
BRANNKASSESTIFTELSEN MIDT-BUSKERUD	2 134 436	1.5%
KOMMUNAL LANDSPENSJONSKASSE GJENSIDIGE	1 608 606	1.1%
WENAASGRUPPEN AS	1 087 931	0.8%
CATILINA INVEST AS	1 062 032	0.8%
MELESIO INVEST AS	952 259	0.7%
LANDKREDITT UTBYTTE	903 455	0.6%
SANDEN EQUITY AS	707 494	0.5%
HAUSTA INVESTOR AS	679 036	0.5%
FORETAKSKONSULENTER AS	621 230	0.4%
SKOGEN INVESTERING AS	605 000	0.4%
LAMHOLMEN INVEST AS	556 159	0.4%
BERGEN KOMMUNALE PENSJONSKASSE	425 000	0.3%
Total 20 largest equity certificate holders	103 578 540	73.9%
SpareBank 1 Sørøst-Norge (own equity certificates)	7 359	0.0%
Other owners	36 512 662	26.1%
Total number of equity certificates (par value NOK 15.00)	140 098 561	100.0%

Note 23 – Events after the statement of financial position date

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

The legal merger between SpareBank 1 Sørøst-Norge and SpareBank 1 SR-Bank ASA was implemented on 01.10.2024.

SpareBank 1 Sørøst-Norge and SpareBank 1 SR-Bank ASA became SpareBank 1 Sør-Norge ASA, the new bank's business register number is 937 895 321.

Please refer to note 14 of SpareBank 1 SR-Bank ASA's interim report for the third quarter for detailed information on its implementation and the allocation of goodwill/badwill.

Statement of the Board of Directors and CEO

We declare that, to the best of our knowledge and belief, the interim accounts for the period 01.01.2024 to 30.09.2024 have been prepared in accordance current accounting standards, including IAS 34 “Interim reporting”, and that the information in the financial statements gives a true picture of the parent bank’s and the Group’s assets, liabilities, financial position and results as a whole.

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

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

Stavanger, 30.10.2024

The Board of Directors of SpareBank 1 Sør-Norge ASA

Finn Haugan
Chair

Dag Mejdell
Deputy Chair

Maria Tho

Heine Wang

Trine Sæther Romuld

Jan Skogseth

Camilla AC Tepfers

Kjetil Skjæveland

Hanne Myhre Gravdal
Employee representative

Eirik P. Elholm
Employee representative

Sally Lund-Andersen
Employee representative

Inge Reinertsen
CEO

Statements concerning future events

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

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

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

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

This report does not mean that SpareBank 1 Sørøst-

Norge undertakes to revise these statements on future matters beyond that which is required by applicable law or applicable stock exchange rules if and when circumstances arise that will cause changes compared with the situation on the date when the statements were made.



