



Q1 2023

Interim financial statements



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Main figures

NOK 320 million

Profit after tax

10.4%

Return on equity

19.1%

Common Equity Tier 1 capital ratio

Group	31.03.2023		31.03.2022		31.12.2022	
	m NOK	% ¹⁾	m NOK	% ¹⁾	m NOK	% ¹⁾
Summary of the results						
Net interest income	483	2.18	306	1.64	1 573	1.91
Net commission and other income	211	0.95	187	1.00	883	1.07
Net income from financial assets	33	0.15	17	0.09	167	0.20
Total net income	727	3.29	510	2.74	2 623	3.19
Total operating expenses	314	1.42	306	1.64	1 272	1.55
Operating profit before losses/profit before losses and tax	413	1.86	204	1.10	1 351	1.64
Losses on loans and guarantees	-1	0.00	-11	-0.06	40	0.05
Profit before tax	413	1.87	215	1.16	1 311	1.59
Tax expense	93	0.42	46	0.24	270	0.33
Profit after tax	320	1.45	170	0.91	1 041	1.27
Total other comprehensive income recognised as equity	-1	-0.01	1	0.01	37	0.04
Total comprehensive income	319	1.44	171	0.92	1 078	1.31

¹⁾ Calculated as a % of average total assets



Key figures

Group (amounts in NOK millions)	31.03.2023	31.03.2023 pro forma	31.03.2022	31.03.2022 pro forma	31.12.2022	31.12.2022 pro forma
Profitability						
Return on equity, profit before other comprehensive income ¹⁾	10.4%		7.0%		9.4%	
Return on equity, comprehensive income ¹⁾	10.4%		7.1%		9.8%	
cost-income ratio ¹⁾	43.3%		60.0%		48.5%	
Cost-income ratio excl. financial investments ¹⁾	45.3%		62.0%		51.8%	
Statement of financial position figures						
Gross lending to customers	71 510		63 078		72 852	
Gross lending to customers incl. SpareBank 1 Boligkreditt/Næringskreditt ¹⁾	104 426		88 898		105 141	
Deposits from customers	55 263		47 105		55 216	
Deposit coverage ¹⁾	77.3%		74.7%		75.8%	
Liquidity coverage ratio (LCR), liquidity reserve	210%		154%		263%	
Lending growth incl. SpareBank 1 Boligkreditt/Næringskreditt in the past 12 months ¹⁾		0.8%		5.3%		2.5%
Deposit growth in the past 12 months ¹⁾		-0.6%		7.9%		1.2%
Total assets	89 897		75 738		89 547	
Total assets, incl. SpareBank 1 Boligkreditt / Næringskreditt ¹⁾	122 813		101 559		121 837	
Losses						
Loss rate on lending ¹⁾	0.00%		-0.02%		0.06%	
Loans in Stage 3 as % of gross lending ¹⁾	0.90%		0.64%		0.90%	
Losses (incl. SpareBank 1 Boligkreditt/Næringskreditt)						
Loss rate on lending (incl. SpareBank 1 Boligkreditt/Næringskreditt ¹⁾	0.00%		-0.01%		0.04%	
Loans in group 3 as % of gross lending (incl. SpareBank 1 Boligkreditt/Næringskreditt ¹⁾	0.62%		0.45%		0.63%	
Financial strength, Group (proportional consolidation)						
Capital adequacy ratio	21.7%		21.0%		22.1%	
Tier 1 capital ratio	20.0%		19.2%		20.4%	
Common Equity Tier 1 capital ratio	19.1%		18.2%		19.5%	
Net primary capital	12 324		10 185		12 399	
Tier 1 capital	11 364		9 339		11 439	
Common Equity Tier 1 capital	10 856		8 855		10 939	
Basis for calculation	56 920		48 588		56 097	
Leverage Ratio	8.3%		8.3%		8.5%	
Offices and staffing						
Number of bank branches	21		17		21	
Number of brokerage offices	19		16		19	
Number of accounting offices	7		5		7	
Number of FTEs, parent bank (avg. YTD)	418		372		426	
Number of FTEs, group (avg. YTD)	634		529		609	
Number of FTEs, parent bank (at end of period)	417		371		432	
Number of FTEs, Group (at end of period)	633		530		652	

Equity certificates	31.03.2023	31.03.2022	31.12.2022
Equity certificate fractions	60.7%	60.3%	60.7%
Market price (NOK)	50.00	61.60	55.00
Market value (NOK millions)	7 005	7 311	7 411
Book equity per equity certificate (parent bank, NOK)	50.70	46.08	52.06
Book equity per equity certificate (Group, NOK) ¹⁾	51.90	47.58	53.38
Earnings per equity certificate (parent bank, NOK) ^{1) 2)}	1.24	0.76	4.27
Earnings per equity certificate (Group, NOK) ^{1) 2)}	1.36	0.84	4.27
Dividend per equity certificate (NOK)			2.60
Price/earnings per equity certificate (parent bank)	9.95x	19.94x	12.89x
Price/earnings per equity certificate (Group) ¹⁾	9.05x	18.00x	12.87x
Price/book equity (parent bank)	0.99x	1.34x	1.06x
Price/book equity (Group) ¹⁾	0.96x	1.29x	1.03x

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

²⁾ Earnings per weighted equity certificate (weighted average in 2022)

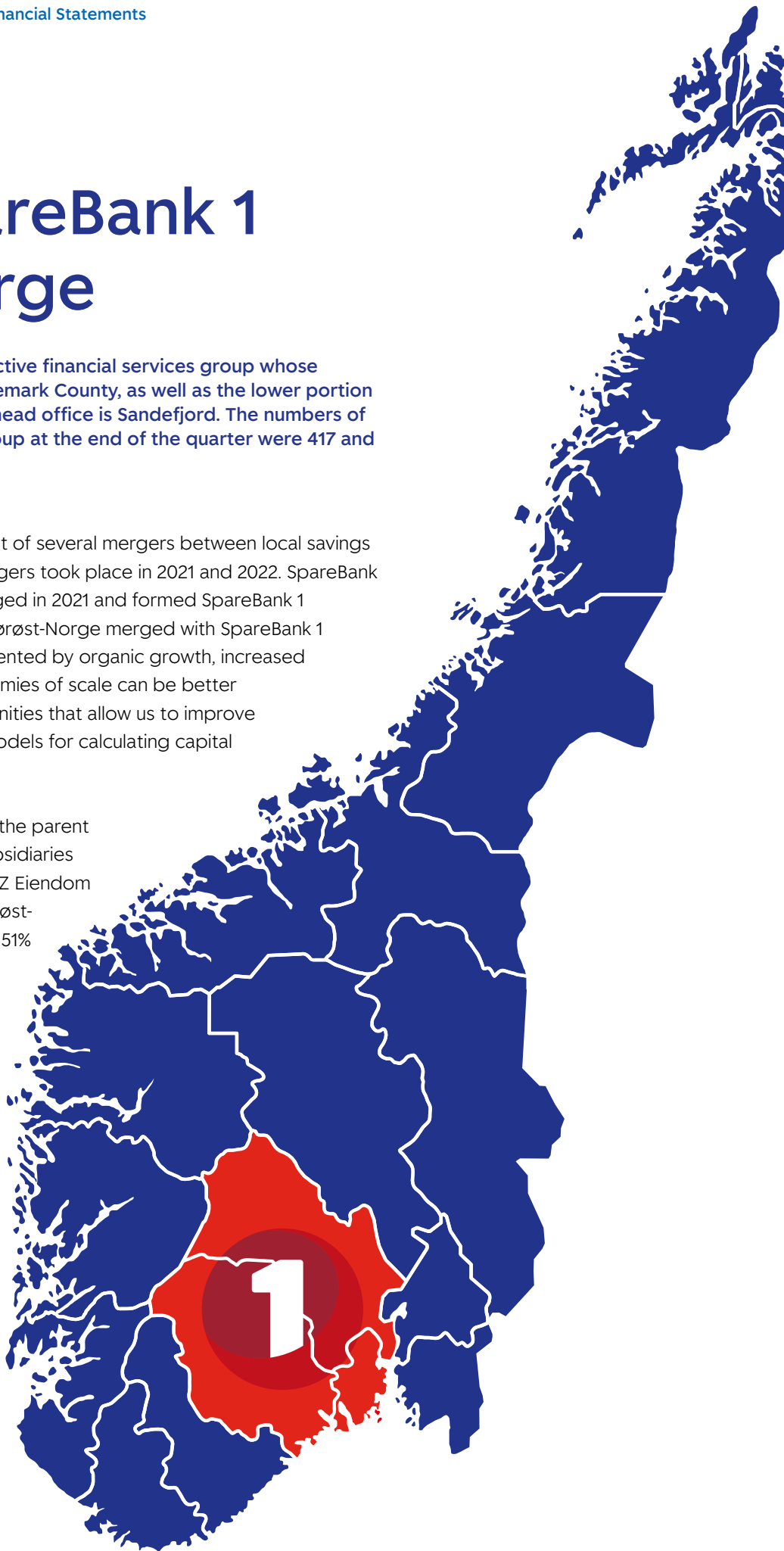
About SpareBank 1 Sørøst-Norge

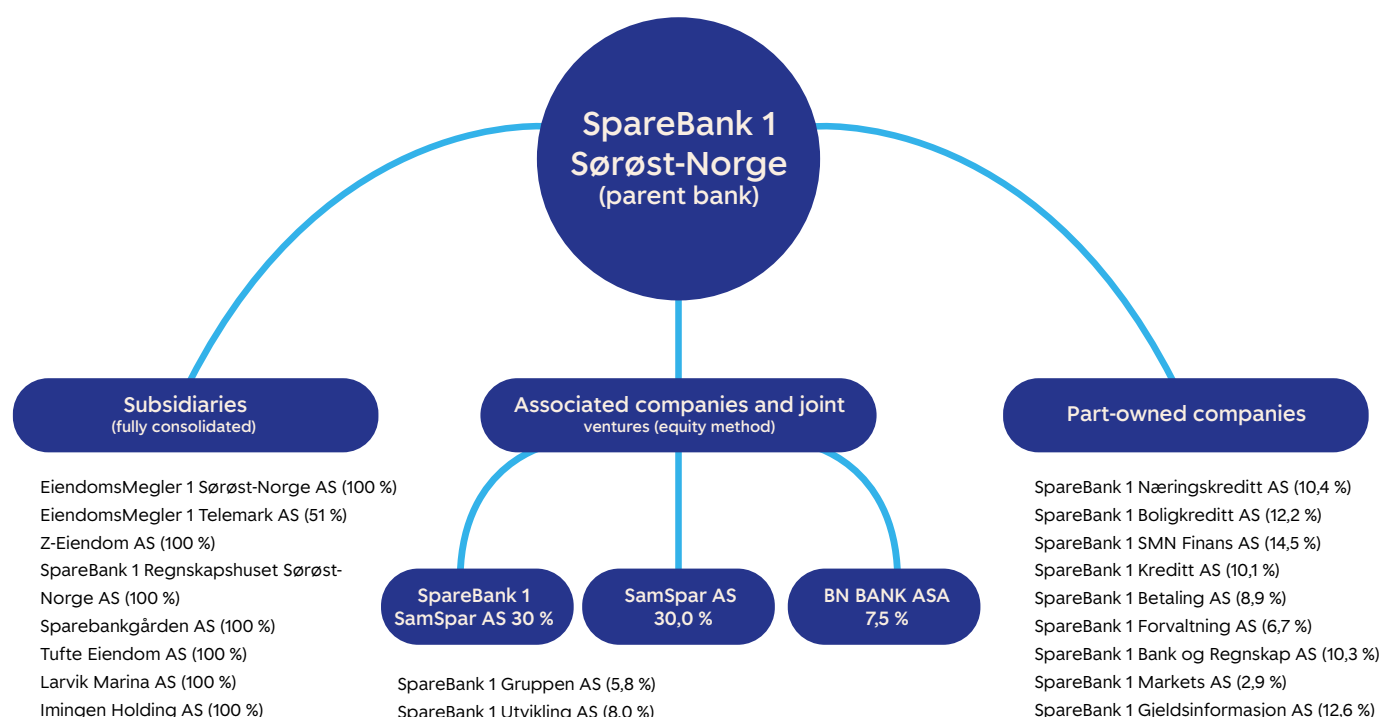
SpareBank 1 Sørøst-Norge is a proactive financial services group whose market area covers Vestfold og Telemark County, as well as the lower portion of the former Buskerud County. Its head office is Sandefjord. The numbers of FTEs in the parent bank and the Group at the end of the quarter were 417 and 633, respectively.

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

The Group's main activity consists of the parent bank, as well as the wholly owned subsidiaries EiendomsMegler 1 Sørøst-Norge AS, Z Eiendom and SpareBank 1 Regnskapshuset Sørøst-Norge AS. In addition, the Bank owns 51% of EiendomsMegler 1 Telemark. The Group has branches in Kongsberg, Vikersund, Åmot, Hokksund, Nedre Eiker, Drammen, Lier, Holmestrand, Horten, Tønsberg, Færder, Sandefjord, Larvik, Bamble, Porsgrunn, Skien, Ulefoss, Lunde, Bø and Notodden.

The region has a diverse business sector. SpareBank 1 Sørøst-Norge has a total of 21 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 quarter

Growth in the Norwegian economy is starting to slow, although activity remains high. The labour market is tight and wage growth is picking up. Norges Bank has continued its monetary policy aimed at curbing activity in the Norwegian economy and raised its policy rate further on 23.03.2023 from 2.75% to 3.00%. As a result of the increase in the policy rate, the Bank chose to raise lending and deposit rates from 29.03.2023 for new customers and from 11.05.2023 for existing retail customers and 13.04.2023 for corporate customers.

The Bank's Supervisory Board approved the financial statements and annual report for 2022 on 30.03.2023. The Supervisory Board decided to pay a dividend to equity certificate holders of NOK 2.60 per equity certificate, NOK 365 million in total, and to distribute gift funds for community capital amounting to NOK 236 million. The Board of Directors was also given authority to decide whether to distribute an additional dividend of up to NOK 1.50 per equity certificate, totalling NOK 210 million, and up to NOK 136 million in gifts via community capital. The authority can be used if the Board of Directors deems that the market situation, the Bank's financial strength and other financial circumstances permit it. The payment will be assessed in the third quarter of 2023.



Together we create value

Our mission is to contribute to sustainable development in Norwegian communities

Our shared mission
What we want to be known for

SpareBank 1 Sørøst-Norge's distinctiveness
How we differ from each other

Our common customer promises
How we differ from other banks

The banks that understand my needs and with the resources and muscle to deliver the goods.

The banks whose ownership model and network actively boost their region's growth, development and attractiveness as a place to live.

Strong and engaged local partners

Corporate strategy, vision, values and goals

Brand and identity

As far as SpareBank 1 Sørøst-Norge is concerned, brand building is about clarifying who we want to be and ensuring that we stand out from the crowd of competitors. A strong brand will help attract new customers, good partners and new skills. A brand is therefore an important means of creating lasting competitive advantages.

SpareBank 1 Sørøst-Norge aims to contribute to sustainable development in Norwegian local communities by providing a wide range of financial services, as well as relevant advice to individuals and businesses. As a relationship bank, we want to be seen as the personal regional bank that provides value for local businesses, people and communities.

We also want to be known for our four customer promises:

1. Best for most people and businesses
2. Always personal
3. The most useful innovations
4. Strong and engaged local partners

The SpareBank 1 Alliance uses the NeedScope's brand strategy framework to understand the banking market and measure our brand strength relative to that of our competitors. A strong brand is built by being relevant, different and consistent wherever the customer is in contact with the Bank. Despite the major changes in society, basic banking needs remain reasonably stable. Nevertheless, there have been major changes in how banks position themselves. In the overall competitive landscape, the SpareBank 1 banks have a very clear position in their chosen segment as a close, safe, helpful bank that is good at following up its customers.

The positive development since 2018 has been significant, and SpareBank 1 now numbers among the top 5% of clearest brands worldwide, according to Kantar. It is important for SpareBank 1 Sørøst-Norge to take advantage of the strong position of the Alliance while simultaneously building positive associations with our new and relatively young brand name, Sørøst-Norge.

Vision and values

Our vision, "Together we create value", expresses what we achieve when the Group is most successful at what it does. The word "together" tells us how the results will be achieved.

We create value for customers through good advice based on expertise, quality and ethical standards in line with the best traditions of the savings bank industry. We build up skills and corporate culture in-house and deliver good results every day for customers, owners, employees and society. "Together" is warm, friendly and inclusive.

Together we create development and growth over time. Our vision and values provide an important platform from which to successfully achieve our goals.

Our values, "Present", "Power" and "Movement", speak of a group that is constantly evolving, at the same time as we preserve our proximity to our customers. The power inherent in a strong corporate culture should make a difference, a power that is created by the people who work here.

Present

We are available to our surroundings and to each other.

We are present where people reside, work and live – physically and digitally. Now and for the future they dream of.

Power

We create power through the people who work here. Together we are a strong, solid organisation, rich in experience and expertise.

Our power contributes to development for customers, employees, owners and local communities.

Movement

Movement creates development, a sense of mastery and motivation – which can turn dreams into reality.

Movement lays the groundwork for change and growth, and ensures a good ability to execute.

We move forward in order to develop and learn from experience.



Corporate Strategy 2022-2025

Our Corporate Strategy 2025 sets out the strategic direction for SpareBank 1 Sørøst-Norge during the strategy period and provides guidelines for the goals and measures that the organisation has established for all levels based on a balanced scorecard. The strategy has a wide reach across the Group, including subsidiaries.

The methodology follows our strategy framework, which consists of the following four main milestones:

1. Agreeing on a future vision based on different trends
2. Establishing a common understanding of the current situation
3. Defining overarching strategic goals
4. Outlining the change map that shows the strategic measures or focus areas that must be initiated to achieve our common goals.

Strategies are about making choices. The strategy is divided up into a common corporate part that applies to everyone, and more specific goals and measures for succeeding in the retail and corporate market.



Four overarching goals

The Group has the following four overarching ambitions for the strategy period 2022-2025.

- 1) Strengthen customer relationships and become the preferred bank for the retail and SME segment in our market area
- 2) build an attractive, sound regional bank for Southeast Norway
- 3) be one of the most attractive places to work in banking/finance in Southeast Norway
- 4) facilitate profitable growth that provides a basis for increased value creation for all of our stakeholders

Seven Strategic focus areas

The Group has defined and prioritised seven strategic focus areas. Managers in the retail and corporate

markets have a clear responsibility for the first two, while the other five points are group-wide and apply to everyone.



Top line growth



Customer-oriented



Sustainability



Attractive place to work



Data and insights



Quality



Regional bank

Group goals 2023

The Group's overarching goal is profitable growth with a return on equity of 11%. Satisfied customers, engaged employees, strengthening income other than margin-based income, increased share of sustaina-

ble exposure and a solid Tier 1 capital ratio are other group-wide goals. The Group's goals and strategy are followed up using balanced scorecards. This ensures ownership and good governance.

Customer sat-
isfaction

> 66

Common
Equity Tier 1
capital
17.0%

Sustainable
exposure
NOK 25 billion

Return on equity
> 11%

Attractive
place to work
> 75

Other income:
NOK 950 million



Corporate social responsibility and sustainability

Our sustainability strategy states that “SpareBank 1 Sørøst-Norge will be responsible by preventing and detecting financial crime, be climate proactive and help customers be the same and be socially engaged.” A sustainability council meets monthly and updates each other on the status of sustainability initiatives in each department and the next steps. An updated version of the sustainability strategy for 2022-2025 was adopted in 2022 as a result of the merger with SpareBank 1 Modum. Following the merger, the Group’s sustainability department has 3.5 FTEs, of whom 1.5 FTEs were recruited through a collaboration with the University of South-Eastern Norway (USN).

Loans and investments

Around NOK 785 million, or 8%, of the Bank’s total liquidity portfolio was invested in green bonds at the end of the first quarter.

The Bank has issued NOK 2.6 billion in green bonds.

Preliminary figures show that 71% of the Bank’s total statement of financial position is deemed EU Taxonomy-eligible, of which 8% is also deemed EU taxonomy-aligned (see Annual Report 2022, p. 194).

At the end of the first quarter, the proportion of homes eligible under the green bond framework accounted for 11.8% of our total lending volume in the retail market (including the mortgage credit institution), an increase of 0.1% from the previous quarter.

The proportion of corporate loans eligible under the green bond framework accounted for 20.9% of our total lending volume in the corporate market (including the mortgage credit institution), up from 17.3% as at 31.12.2022. The increase was primarily due to an improvement in commercial property data quality assurance.

At the end of the first quarter, the total volume of green mortgages amounted to around NOK 2.2 billion, an increase of around NOK 500 million since the previous quarter.

Responsible business

By the end of 2022, the Bank had reduced the carbon intensity of its operations and loan portfolio by 26.5% since 2019. The Group’s real estate strategy, adopted in the fourth quarter, states that decisions concerning refurbishment, acquisitions, sales or leasing must take account of the Group’s goal and reducing the carbon intensity of its operations by 7% per year, as well as the EU Taxonomy’s requirements where relevant. The Bank is in concrete talks with the owners of many of the buildings we lease and is evaluating the buildings we own itself. In the first quarter, a decision was made to continue current operations in Drammen and Skien using less space and energy. The work is being performed by local suppliers. The goals of the refurbishment are to ensure the premises have a long service life and that there is little residual waste. It also takes account of diversity and inclusion.

New sustainability reporting topics

The sustainability report was certified by an independent auditor for the first time in 2022. It now includes reporting on nature-related risk in line with the provisional recommendations of the Task Force on Nature-related Financial Disclosures (TNFD). Principal adverse impacts (PAI) are also reported on in line with the investor requirements in the Sustainable Finance Act. The same applies to greenhouse gas sequestration in forests. The report also includes a report on due diligence in relation to human rights and decent working conditions in line with the Transparency Act.

Equality, diversity and inclusion

The Equality, Diversity and Inclusion Policy was adopted in the first quarter. Becoming a signatory to Women in Finance in December 2022 commits the Bank to setting internal gender balance targets, publishing how we are doing in relation to those targets and having an ambition of linking management remuneration to our progress in attaining the goals. We have set ourselves the target of 40% women and 40% men among managers at all levels. At the end of 2022, 41% of managers in the Group were women. CEO Per Halvorsen, who has been given overall responsibility for following up the work on gender balance and inclusion, gave a presentation on the Bank's work in this area at the Vikersund Conference in March.

The Bank has also taken other social sustainability initiatives this quarter, including: signing a cooperation agreement with the Church City Mission and the Bank becoming an activity partner for the Equal Opportunities project, with support from Odd's women's football team. We are also the main sponsor of the county championships for youth companies in Buskerud.

Improving skills

The Group has started a training programme within sustainability. The goal of the training programme is to ensure that all employees feel confident with regard to sustainability within their professional field and within their day-to-day work. Six days were spent on in-person courses in the first quarter. In total, 21 days have been spent on in-person courses throughout the Group to lay the groundwork for upskilling in relation to sustainability. Some 87% of the Group has participated in the courses (the courses will be mandatory for the remainder), and the overall feedback score was 4.9 out of 6.

The Board and executive management team started their training programme with a focus on environmental and climate challenges in the fourth quarter and continued the programme with a course on social sustainability in the first quarter. Courses on sustainability have also been held for the departments Marketing and Communication (greenwashing), Credit, Legal, Risk and Compliance (requirements and regulations) and Corporate Market (climate reports and electrification). These department-specific skills packages are now being shared with other banks and companies in the SpareBank 1 Alliance. The training programme for each department will continue throughout the strategy period, i.e. until 2025.

Climate report

Companies can be required to produce climate reports, for example to satisfy the requirements of the public sector or major customers that have committed to cutting emissions. SpareBank 1 Regnskapshuset Sørøst-Norge now offers a climate report service for the Bank's customers. The service is available to users of any accounting system. It was launched at the EC Conference in Horten on 09.03.2023.



Board of Directors' Interim Report

The SpareBank 1 Sørøst-Norge Group

On 01.04.2022, SpareBank 1 Sørøst-Norge merged with SpareBank 1 Modum, where SpareBank 1 Sørøst-Norge was the taking over bank. The goal of the merger was to create a competitive bank in the banks' market areas and be well-positioned for the future.

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.

Figures from the transferring bank were included in the official accounts with effect from 01.04.2022 (SpareBank 1 Modum). Pro forma financial statements have been prepared for 2021 and the first quarter of 2022 to improve comparability. Please refer to the separate pro forma income statement and statement of financial position in Notes 23 and 24.

Highlights from the financial performance and statement of financial position performance as at 31.03.2023 are shown below, with the pro forma figures as at 31.03.2022 in brackets.

Highlights (pro forma) for the period 01.01 to 31.03.

- Ordinary profit after tax of NOK 320 million (NOK 195 million)
- Net interest income of NOK 483 million (NOK 353 million)
- Net income from financial assets NOK 33 million (NOK 27 million)
 - Profit from SpareBank 1 Gruppen and BN Bank ASA of NOK 11 million (NOK 5 million) and NOK 13 million (NOK 11 million), respectively
- Losses on loans and guarantees of NOK -1 million (NOK -11 million)
- Return on equity 10.4% (6.9%), adjusted for one-time effects in 2022 (9.6%)
- Lending and deposit growth in the past 12 months of 0.8% (5.6%) and 0.6% (8.5%), respectively

The following details some of the highlights and figures that refer to the official accounting and consolidated figures. Figures in brackets relate to the corresponding period last year for the takeover bank.

Highlights (official) for the period 01.01 to 31.06

- Ordinary profit after tax of NOK 320 million (NOK 170

million)

- Net interest income of NOK 483 million (NOK 306 million)
- Losses on loans and guarantees of NOK -1 million (NOK -11 million)
- Profit from SpareBank 1 Gruppen and BN Bank ASA of NOK 11 million (NOK 4 million) and NOK 13 million (NOK 11 million), respectively
- Return on equity 10.4% (7.0%), adjusted for one-time effects 2022% (10.1%)
- Common Equity Tier 1 capital ratio, Group (proportional consolidation) 19.1% (18.2%)

Financial performance

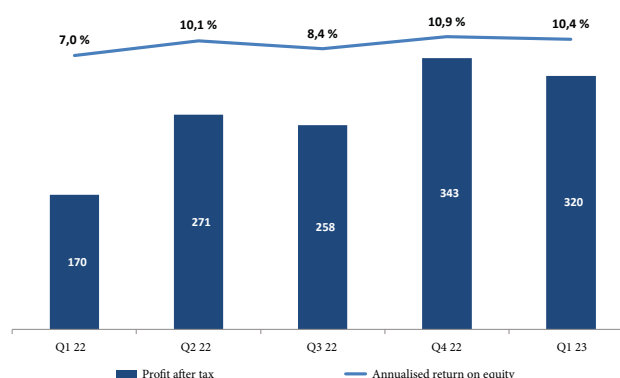
Cumulative figures as at 31 March unless explicitly stated otherwise.

Profit

The SpareBank 1 Sørøst-Norge Group posted a profit from ordinary operations before losses of NOK 413 million (NOK 204 million). Profit after tax was NOK 320 million (NOK 170 million), which represents 1.45% (0.91%) of average total assets. The Group's return on equity was 10.4% (7.0%).

Earnings per equity certificate (weighted average as at 31.03.2022) in the parent bank were NOK 1.24 (0.76) and in the Group NOK 1.36 (0.84).

Quarterly performance of profit after tax and return on equity:



Net interest income

Net interest income amounted to NOK 483 million (NOK 306 million). Net interest income as a percentage of average total assets was 2.18% (1.64%). Net interest income saw a solid improvement compared with the first quarter of last year. The increase was due to higher lending volumes resulting from the merger with SpareBank 1 Modum and a stronger interest margin. Net

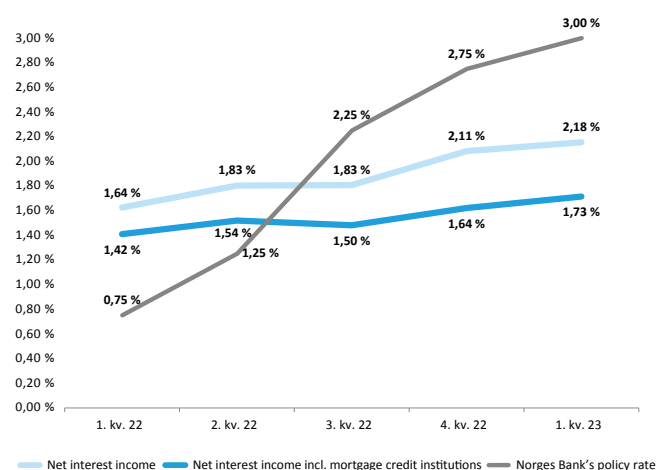
¹⁾ The pro forma figures for 2022 represent the combined income statement and statement of financial position without calculation of added/less value

interest income increased by NOK 8 million compared with the fourth quarter of last year, primarily due to higher lending rates. The interest rate changes from 2022 have now been implemented in full.

The Bank adjusted its lending and deposit rates once in the quarter due to Norges Bank's successive increases in its policy rate. In connection with this, please see the more detailed information under the chapter "Important financial events in the quarter" (page 17).

At the end of the quarter, the Bank had transferred mortgages worth NOK 31 434 million (NOK 24 299 million) to SpareBank 1 Boligkreditt AS, and NOK 1 482 million (NOK 1 522 million) to SpareBank 1 Næringskreditt AS. Earnings from these loan portfolios are shown under net commission income and amounted to NOK 40 million (NOK 48 million).

Quarterly change in net interest income:



Net commission and other income:

Net commission and other income totalled NOK 211 million (NOK 187 million).

Net commission income

Net commission income amounted to NOK 133 million (NOK 132 million). The commissions from SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS accounted for NOK 40 million (NOK 48 million) of this.

Other operating income

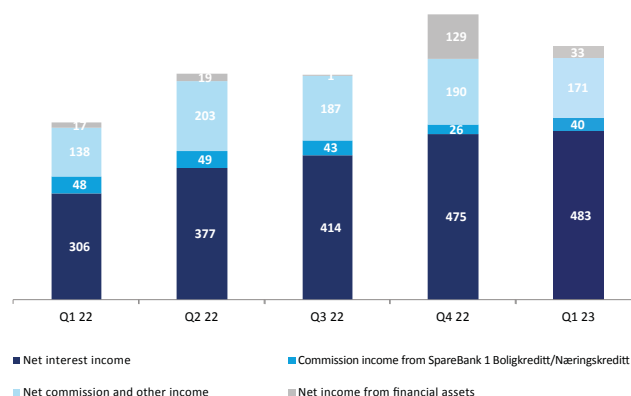
Other operating income amounted to NOK 78 million (NOK 55 million).

Net income from financial assets

Net income from financial assets amounted to NOK 33 million (NOK 17 million). The main items consist of NOK 3 million (NOK 12 million) in dividends received, NOK 26 million (NOK 14 million) in net profit from ownership interests, and net result from other financial investments of NOK 4 million (NOK -10 million).

The net result from ownership interests includes the results from SpareBank 1 Gruppen AS and BN Bank ASA of NOK 11 million (NOK 4 million) and NOK 13 million (NOK 11 million), respectively. The indirect stake in SpareBank 1 Gruppen AS amounts to 5.8% and the direct stake in BN Bank ASA amounts to 7.8%. The stake in SpareBank 1 Gruppen AS increased from 4.4% to 5.8% upon the merger with SpareBank 1 Modum on 01.04.2022.

Quarterly change in income (NOK millions):



Income from ownership interests, SpareBank 1 Gruppen

SpareBank 1 Gruppen has implemented IFRS 17 and IFRS 9 in 2023. The comparable figures for 2022 have not been restated in line with IFRS 17 and IFRS 9 for the Group. Were IFRS 17 and IFRS 9 taken into account for 2022, SpareBank 1 Sørøst-Norge's share of SpareBank 1 Gruppen's profit for the first quarter of 2022 would have been NOK 10.9 million, which is marginally above the result for the first quarter of 2023 (NOK 10.3 million).

SpareBank 1 Gruppen posted a result before tax of NOK 363 million, which is NOK 23 million less than in the same quarter in 2022. Higher claims rates, particularly within car insurance, contributed to a weaker result. On the other hand, equity and fixed income markets resulted in higher financial income in the first quarter of the year compared with last year. Its profit after tax was NOK 272 million (NOK 289 million).

The Fremtind Forsikring Group posted a profit before tax of NOK 366 million (NOK 396 million). The result from insurance services in the Group was NOK 267 million (NOK 420 million), a decrease that was mainly due to higher claims costs. Claim costs mainly increased as a consequence of society returning to normal after the Covid pandemic and higher prices because of the war in Ukraine. At the same time, the company continues to grow. As at the end of the first quarter, net income from investments was NOK 295 million (NOK -318 million). The

return on the equity portfolio was 6.6% (-3.5%).

SpareBank 1 Forsikring's profit before tax amounted to NOK 57 million (NOK -23 million). Its profit after tax was NOK 44 million (NOK -16 million). Greater volumes and improved financial returns have resulted in positive profit performance so far this year.

Income from ownership interests, BN Bank ASA

BN Bank ASA posted a profit for the first quarter of 2023 of NOK 183 million (NOK 143 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 13 million (NOK 11 million).

Operating expenses

Total operating expenses were NOK 314 million (NOK 306 million). Operating expenses as a percentage of total operating income for the Group came to 43.3% (60.0%). The corresponding cost-income ratio for the parent bank was 38.7% (57.8%).

Personnel expenses

Personnel expenses amounted to NOK 177 million (NOK 169 million). Merger-related one-off costs in 2022 amounted to NOK 37 million, which mainly relates to provisions for restructuring packages in 2022. The increase in personnel expenses was due to an increase in the number of FTEs. The number of FTEs at the end of the quarter was 633 (530), of which the parent bank

employed 417 (371). The increase is related to the merger with SpareBank 1 Modum, effective from 01.04.2022, and the acquisition of a new accounting firm in Telemark with full effect from the first quarter of 2023, as well as general wage growth.

Other operating expenses

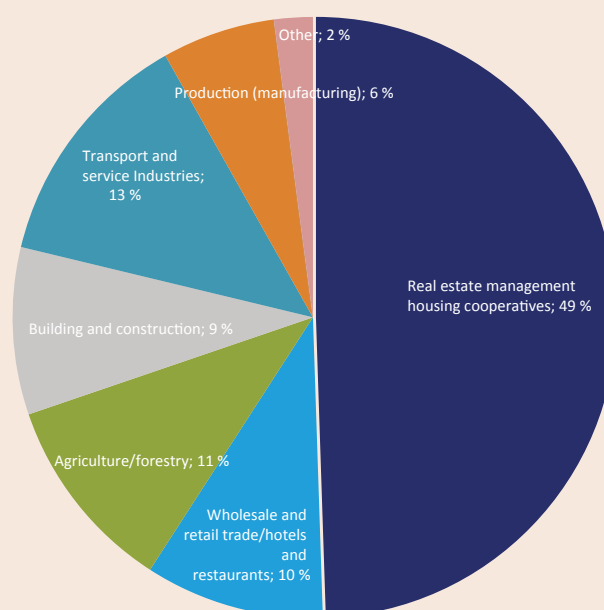
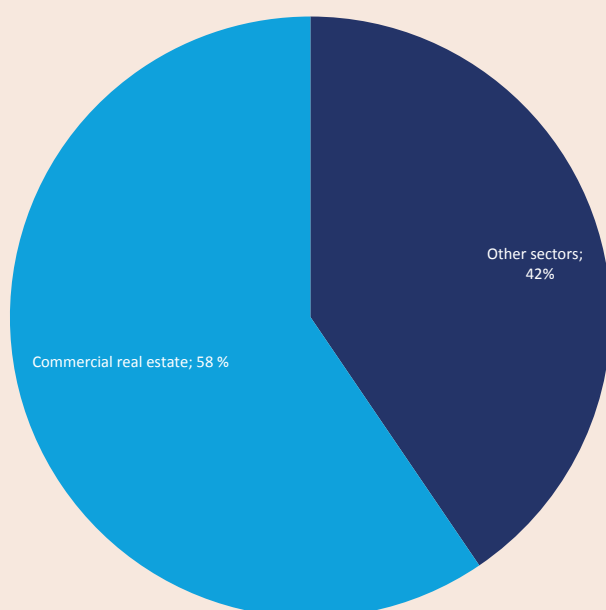
Other operating expenses were NOK 137 million (NOK 136 million). Merger-related one-off costs in 2022 amounted to NOK 31 million and were mainly costs related to the transaction. The increase in operating expenses is related to the merger with SpareBank 1 Modum and increased activity in the accounting company, as well as general price inflation.

Losses and impairment provisions

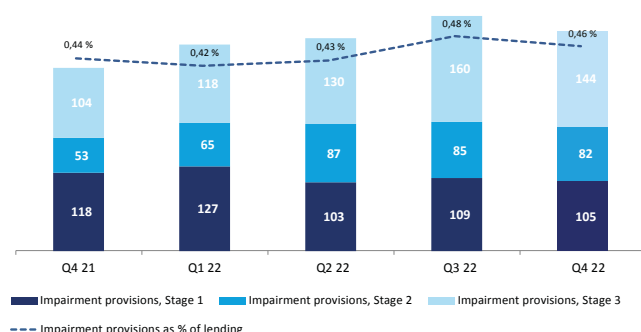
Losses charged as costs amounted to NOK -1 million (NOK -11 million). Loss provisions for loans and guarantees amounted to NOK 331 million (NOK 275 million), which is equivalent to 0.46% (0.44%) of gross lending on the statement of financial position.

In addition to individual loss assessments, the Bank assessed the IFRS 9 model's scenario weighting in this quarter as well. The scenario weights are unchanged for the corporate market portfolio and the retail market portfolio for the current quarter. The weighting includes an increase for the worst case scenario and reflects some uncertainty linked to economic developments going forward. Please see the more detailed comments in Note 6.

Corporate market – volume in commercial property and other industries



Quarterly change in impairment provisions, accumulated figure:



Statement of financial position performance

The Group's total assets amounted to NOK 89 897 million (NOK 75 738 million). The Group's business capital (total assets including loans transferred to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS) amounted to NOK 122 813 million (NOK 101 559 million).

Lending and deposit performance

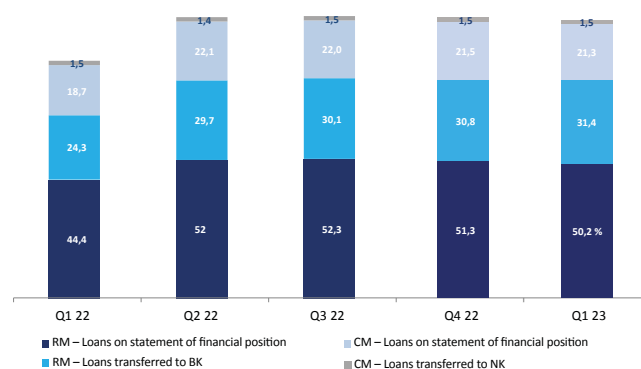
Gross lending (including the volume transferred to SpareBank 1 Boligkreditt AS/SpareBank 1 Næringskreditt AS) amounted to NOK 104 426 million. The past 12 months have seen lending growth of 0.8% (pro forma). NOK 813 million (1.0%) of the growth came in the retail market and NOK -1 million (0.0%) in the corporate market. The retail market's share of lending (including SpareBank 1 Boligkreditt AS) at the end of the quarter was 78% (77%).

At the end of the quarter, the Group had a deposit volume of NOK 55 263 million with deposit growth of 0.6% (pro forma) in the past 12 months. NOK 651 million (1.8%) of the growth came in the retail market and NOK -979 million (-4.9%) in the corporate market.

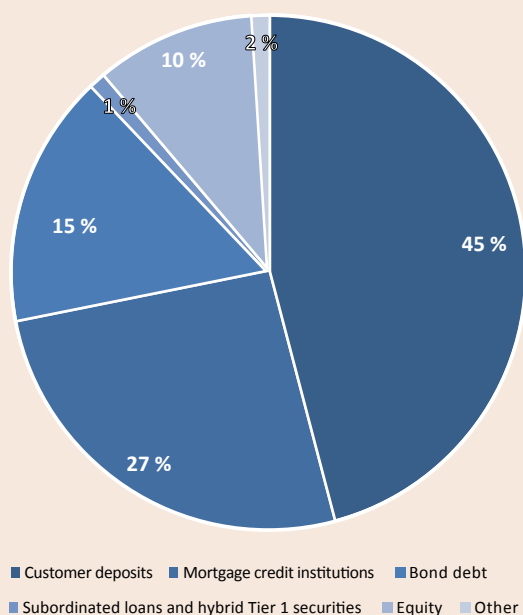
The Group had a deposit coverage ratio of 77.3%, compared with 74.7% at the same time last year. Including the volume transferred to SpareBank 1 Boligkreditt AS/ SpareBank 1 Næringskreditt AS, the deposit coverage ratio amounted to 52.9% (53.0%).

The retail market's share of deposits at the end of the quarter was 66% (65%).

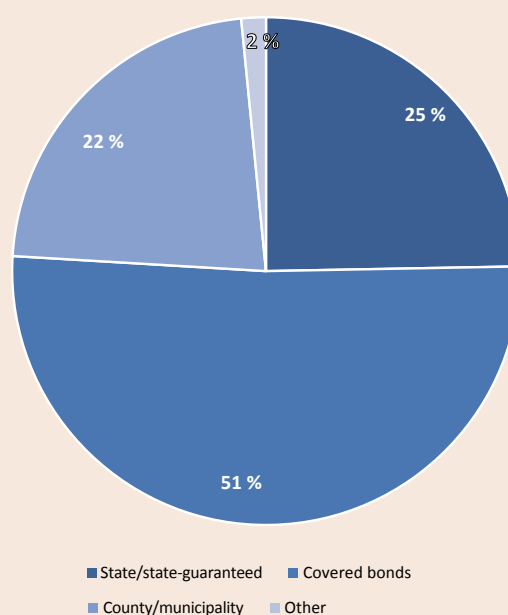
Quarterly change in loans and deposits:

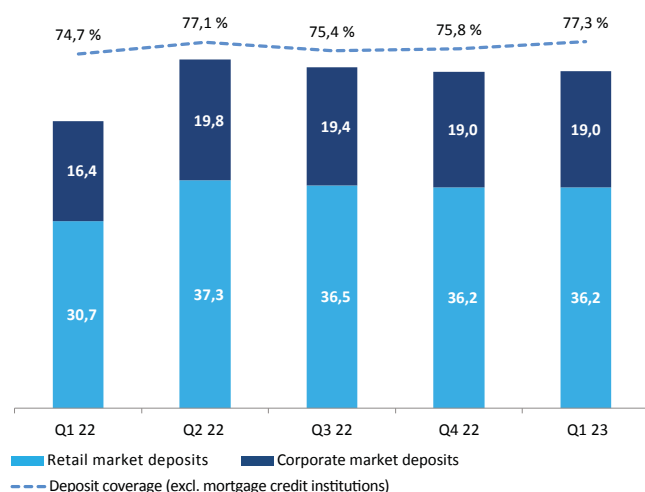


Funding sources



Liquidity portfolio





Liquidity

The Bank's liquidity situation at the end of the quarter is good. The Bank's liquidity portfolio is valued at NOK 9.5 billion and its LCR at 210% (154%). The Bank aims to keep its liquidity risk low. In a normal market, SpareBank 1 Sørøst-Norge's goal is to be able to maintain ordinary operations for a minimum of 12 months without access to new external financing. The Bank was well above this target as at the end of the first quarter.

At the end of the quarter, mortgages totalling NOK 31.4 billion (NOK 24.3 billion) had been transferred to SpareBank 1 Boligkreditt AS, and the portfolio of loans prepared for transfer to SpareBank 1 Boligkreditt amounted to NOK 26.9 billion (NOK 24.5 billion). In addition, the Bank had transferred loans to SpareBank 1 Næringskreditt AS worth NOK 1.5 billion (NOK 1.5 billion) as at 31.03.2023.

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

The Bank received updated requirements from the Financial Supervisory Authority of Norway in December 2022, where it was decided that SpareBank 1 Sørøst-Norge must have a risk-weighted MREL (total own funds and eligible liabilities) requirement of 26.5%. Given that the own funds that are used to meet risk-weighted MREL cannot at the same time be used to cover the combined buffer requirement (7.5%), the actual requirement for MREL capital is 34.0%, which must be met in its entirety by the end of 2023. The requirement of 34.0% was calculated based on the applicable capital requirements as at the end 2022. It does not take into account an increased countercyclical buffer from 31.03.2023 and the possible increase in the systemic risk buffer from 31.12.2023. Taking

into account the increase in capital requirements this year, the actual need for MREL capital (effective MREL %) will increase from 34.0% to 37.5%, and the minimum requirement for subordination will increase to 30.5%.

At the end of the quarter, the Bank had issued NOK 3.5 billion (NOK 2.2 billion) in SNP bonds. SpareBank 1 Sørøst-Norge will meet the requirements for MREL by the end of 2023.

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. From the end of 2022 onwards, the Bank will report a consolidated capital adequacy statement. 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 countercyclical buffer has been increased by a further 0.5 percentage points as at 31.03.2023, such that the total countercyclical buffer will be 2.5% at the end of the first quarter of 2023. On 16.12.2022, the Ministry of Finance decided to postpone introduction of an increase in the systemic risk buffer for banks that use the standard method. The requirement to increase the systemic risk buffer from 3.0% to 4.5% has been postponed by a year, meaning that the requirement will apply from the end of 2023. In connection with the approval of the merger with SpareBank 1 Modum in March 2022, the Financial Supervisory Authority of Norway set a new Pillar 2 requirement of 2.5%. This requirement will apply until the Financial Supervisory Authority of Norway sets a new Pillar 2 requirement. The Board submitted a new capital adequacy assessment (ICAAP) to the Financial Supervisory Authority of Norway in the first quarter of 2023. The regulatory requirement for the Common Equity Tier 1 capital ratio at the end of the first quarter of 2023 was 14.5% excluding the management buffer. The Group's target for the Common Equity Tier 1 capital ratio is 17.0%.

At the end of the first quarter of 2023, the Common Equity Tier 1 capital ratio was 19.1% (18.2%) and the leverage ratio was 8.3% (8.3%). The regulatory requirement for the leverage ratio is 3.0%. Both targets were met by a good margin by the end of the first quarter of 2023.

Use of own models for calculating capital requirements

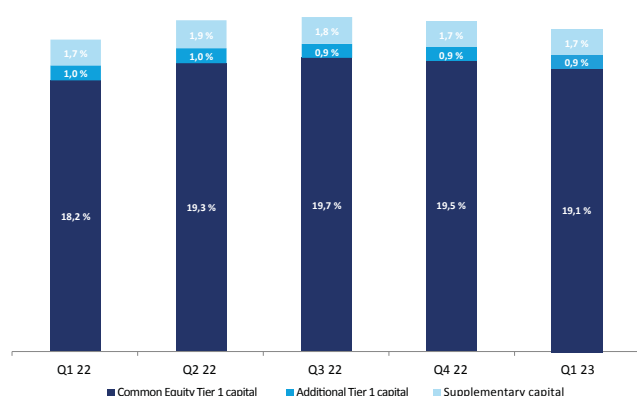
The Group aims to establish itself as a sound, competitive bank, which means that it is crucial that we ensure that

our competitiveness, profitability and control and management are on a par with our competitor banks. The Group's strategy plan includes an ambition to increase our market share in our region while being a proactive participant in the structural development of the banking sector in Eastern Norway. A permit to use Advanced Internal Rating-Based (AIRB) would help to achieve these goals. The Group has, through organic and structural growth, reached a size that means it can start working on preparing an application to the Financial Supervisory Authority of Norway for approval to use advanced IRB models.

The Board of Directors sees it as a strength that the SpareBank 1 Alliance has already developed a strong professional environment that manages and develops IRB models. SpareBank 1 Sørøst-Norge has also used credit management models for several years.

In 2022, the Bank established a project to identify areas that need to be reworked before an application can be submitted. An application is expected to be submitted by the end of the first half of 2024.

Quarterly change in capital adequacy:



Transactions with close associates

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

Future outlook

Higher prices and expenses have resulted in less economic activity, especially within building and construction in the region where there are few new flats being built and sales of commercial property. The retail market has also been affected by the economic situation. This is reflected in the Group's financial statements through lower credit growth and less activity in the real estate companies. As a result of the reduced credit growth, the growth in lending has been low for the last

few quarters. The growth is lower in the retail market than the market growth in the region. The Group's ambition is to grow by slightly more than the market growth in the region, although with a focus on profitable growth given the Group's financial goals. Both the Board and the executive management team are monitoring the situation closely through targeted measures in the Group's corporate governance.

The Norwegian economy's strong growth from the fourth quarter has continued into the first quarter. High retail price inflation and rising interest rates are weakening household purchasing power meaning that economic activity is expected to fall. Unemployment remains very low, although there are signs of unemployment edging up in parts of the economy. Unemployment is expected to rise from the current historically low level to a more normal level.

High price inflation and higher interest rates are resulting in a significant reduction in real household disposable income, meaning that household demand for goods and services is expected to decrease, which could result in a reduction in private consumption and less demand for credit. The Bank's own survey of expectations, the "Konjunktur Sørøst" business cycle barometer, shows that households in the region are pessimistic about their personal finances in 2023. Such a trend may also lead to weak growth in house prices in the region in 2023.

Norges Bank's regional network report shows that, going forward, companies expect sharp rises in prices and costs, higher interest rates and fewer new assignments to result in less activity. Less activity eased the shortage of qualified labour, although more companies than normal still experienced capacity limitations and describe the labour market as tight. Inflation has been unusually high, although more than half of companies believe inflation will slow going forward. For Region SOUTH, the survey shows that companies expected reduced investments and reduced profitability. Commercial real estate prices are also expected to fall as a result of higher interest costs and higher yield requirements.

The debt-to-income ratio is high in parts of the Norwegian household segment. If inflation and wages growth do not slow down, the policy rate, and thus lending rates, may have to rise a lot with the consequential sharp fall in house prices. Our analyses based on figures from Statistics Norway shows that households in our region have a significantly lower ratio between income and house prices than in, for example, Oslo. This means that households are assumed to spend a smaller share of their income on living costs and that their demand for goods and services is thus less sensitive to any fall in house prices. Smaller fluctuations in the

demand for goods and services help reduce the risk of a serious downturn for business in the region. A high proportion of public sector jobs in the region also has a mitigating effect.

Higher interest rates may lead to lower credit growth and greater competition, especially for mortgages. This may result in pressure on lending margins. High market rates and credit premiums may also lead to more competition for deposits with the resulting pressure on margins.

The region's business community is varied, and the region is enjoying good population growth. The Group has a strong market position, local presence and competitive terms and conditions. Overall, the Group's opportunities for growth are therefore considered strong in the long term.

Net interest income has improved in 2023 due to the many interest rate hikes approved in 2022. Interest rate changes have also been approved in 2023 that have not yet come into effect, but which will help to keep net interest income strong going forward.

The Group's target for its return on equity is 11% in the period up to the end of 2024. As far as results were concerned, 2022 was affected by a somewhat high level of costs resulting from restructuring and other merger-related costs. Of the NOK 110 million in communicated merger synergies, around NOK 30 million remains to be realised. This is expected to be distributed approximately equally in 2023 and 2024. The 11% return on equity target should be achieved through profitable growth, good

cost control and the efficient use of capital. The efficient use of capital depends on a number of factors, where approval from the authorities to use AIRB models is a very important step. This internal work is proceeding as planned and communicated. Another means of improving efficiency is by increasing the dividend distribution rate in light of the Group's good financial strength. The Board has therefore changed the dividend policy such that the distribution rate has been amended from about 50% to a minimum of 50%. The Board of Directors has also adopted a financial target of a cost-income ratio of less than 40%. The Group is planning to initiate a profitability and cost programme in the second half-year 2023. At the end of April, it became clear that Sparebanken Sogn og Fjordane would be buying a stake in SamSpar and thus indirectly in the SpareBank 1 Alliance. This means that the Group will be selling down its positions in the SamSpar companies. Some details remain to be finalised in the settlement calculations for the transaction, although a preliminary estimate of the gain for SpareBank 1 Sørøst-Norge is assumed to be in the range of NOK 50-55 million for the parent bank.

The increased regulatory requirements for both capital and compliance combined with a demanding macroeconomic outlook may be important drivers of structural changes in the savings banking sector. The Board wishes to play an active role in the future structural changes that are expected in the savings bank sector. In a situation where there is great uncertainty surrounding macroeconomic developments, the Bank has both good financial strength and good capacity for paying dividends.

Sandefjord, 09.05.2023

The Board of Directors of SpareBank 1 Sørøst-Norge

Finn Haugan
Chair of the Board

John-Arne Haugerud
Deputy Chair

Lene Svenne

Heine Wang

Jan Erling Nilsen

Lene Marie Aas Thorstensen

Maria Tho

Hanne Myhre Gravdal
Employee representative

Frede Christensen
Employee representative

Per Halvorsen
CEO





Interim financial statements

The background features a light orange upper section and a dark blue lower section. A large, rounded blue shape is positioned on the left side, partially overlapping the orange area. The text 'Interim financial statements' is centered in the orange area.

Income Statement IFRS

Parent bank						Group	
2022	Q1 2022	Q1 2023	(Amounts in NOK millions)	Note	Q1 2023	Q1 2022	2022
287	41	122	Interest income - assets measured at fair value		122	41	287
2 297	406	835	Interest income - assets measured at amortised cost		834	405	2 296
1 012	140	474	Interest expenses		474	140	1 010
1 572	306	482	Net interest income	12	483	306	1 573
618	140	148	Commission income		148	140	618
39	8	15	Commission expenses		15	8	39
16	2	3	Other operating income		78	55	304
595	133	136	Net commission and other income	13	211	187	883
77	12	3	Dividends		3	12	77
116	1	0	Net result from ownership interests		26	14	94
-5	-10	4	Net result from other financial investments		4	-10	-5
188	3	7	Net income from financial assets	14	33	17	167
2 355	443	626	Total net income		727	510	2 623
501	137	119	Personnel expenses		177	169	716
512	119	123	Other operating expenses		137	136	556
1 013	256	242	Total operating expenses		314	306	1 272
1 343	187	384	Profit before losses and tax		413	204	1 351
40	-11	-1	Losses on loans and guarantees	5, 6	-1	-11	40
1 303	198	384	Profit before tax		413	215	1 311
263	45	92	Tax expense		93	46	270
1 040	154	292	Profit before other comprehensive income		320	170	1 041
			Controlling interest's share of profit		320	170	1 038
			Non-controlling interest's share of profit		0	0	3
4.27	0.76	1.24	Earnings and diluted result per equity certificate before other comprehensive income		1.36	0.84	4.27

OCI

Parent bank						Group	
2022	Q1 2022	Q1 2023	(Amounts in NOK millions)	Note	Q1 2023	Q1 2022	2022
1 040	154	292	Profit for the period		320	170	1 041
			<i>Entries that can be reclassified through profit or loss</i>				
3	1	-1	Change in value of loans classified at fair value		-1	1	3
			Share of OCI from associated companies and joint ventures		0	0	-1
			<i>Entries that cannot be reclassified through profit or loss</i>				
35			Estimation difference, IAS 19 Pensions				35
38	1	-1	Period's OCI		-1	1	37
1 078	155	291	Total comprehensive income		319	171	1 078
			Controlling interest's share of total comprehensive income		319	171	1 075
			Non-controlling interest's share of total comprehensive income		0	0	3

Statement of financial position

Parent bank					Group		
31.12.2022	31.03.2022	31.03.2023	(Amounts in NOK millions)	Note	31.03.2023	31.03.2022	31.12.2022
108	106	1 096	Cash holdings and receivables from central banks		1 096	106	108
			Loans to and receivables from credit institutions without agreed maturity		2 004	1 286	2 499
2 499	1 286	2 004	Loans to and receivables from credit institutions with agreed maturity	4, 6, 7, 8	710	540	605
605	540	710	Net lending to customers		71 222	62 856	72 546
72 572	62 884	71 245	Certificates, bonds and other securities at fair value		9 381	6 930	8 430
8 430	6 930	9 381	Shareholdings and other equity interests		2 647	2 190	2 617
2 617	2 190	2 647	Ownership interests in Group companies		0	0	0
153	69	153	Interests in joint ventures and associated companies		1 417	1 155	1 452
1 191	862	1 191	Tangible assets		317	285	326
282	246	274	Goodwill		458	24	458
357		357	Deferred tax assets		39	25	39
38	23	38	Other assets	16	606	342	467
351	256	490					
89 202	75 392	89 585	Total assets		89 897	75 738	89 547
0	150	0	Deposits from and liabilities to credit institutions		0	150	0
55 284	47 151	55 322	Deposits from customers	17	55 263	47 105	55 216
19 570	16 971	18 990	Liabilities from the issuance of securities	18	18 990	16 971	19 570
308	46	189	Tax payable		187	50	319
835	990	2 195	Other liabilities and commitments	20	2 277	1 053	919
749	651	749	Subordinated loan capital	19	749	651	749
76 745	65 960	77 444	Total liabilities		77 465	65 980	76 773
2 101	1 778	2 101	Equity certificate capital		2 101	1 778	2 101
3 779	2 777	3 779	Share premium fund		3 779	2 777	3 779
1 413	812	1 049	Dividend equalisation fund		1 049	812	1 413
4 716	3 532	4 480	Sparebankens Fond		4 480	3 532	4 716
91	27	91	Fund for unrealised gains		91	27	91
350	350	350	Hybrid capital		350	350	350
	150	285	Other equity		570	470	310
7	7	7	Gift fund		7	7	7
			Non-controlling interest's share		5	5	7
12 457	9 432	12 142	Total equity		12 432	9 758	12 774
89 202	75 392	89 585	Liabilities and equity		89 897	75 738	89 547

Consolidated results from the quarterly financial statements

Group

(Amounts in NOK millions)	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Interest income	956	885	678	574	446	413	373	262
Interest expenses	474	410	264	197	140	113	96	68
Net interest income	483	475	414	377	306	300	277	194
Commission income	148	154	164	160	140	158	161	109
Commission expenses	15	12	10	9	8	10	10	6
Other operating income	78	74	75	100	55	64	63	62
Net commission and other income	211	216	230	251	187	212	214	164
Dividends	3	33	0	32	12	1	0	22
Net result from ownership interests	26	48	17	16	14	48	54	34
Net result from other financial investments 1)	4	48	-15	-28	-10	0	7	150
Net income from financial assets	33	129	1	19	17	50	61	206
Total net income	727	820	645	648	510	561	553	565
Personnel expenses	177	245	149	152	169	177	150	105
Other operating expenses	137	124	150	147	136	108	99	92
Total operating expenses	314	369	299	299	306	285	249	198
Profit before losses and tax	413	452	346	349	204	276	303	368
Losses on loans and guarantees	-1	29	7	15	-11	2	-35	111
Profit before tax	413	422	339	334	215	274	339	256
Tax expense	93	80	81	63	46	49	70	13
Profit before other comprehensive income	320	343	258	271	170	225	269	244

Parent bank

Earnings per equity certificate (quarter in isolation)	1.24	1.51	1.02	1.24	0.84	0.87	1.03	2.24
Diluted earnings per equity certificate (quarter in isolation)	1.24	1.51	1.02	1.24	0.84	0.87	1.03	2.24

¹⁾ Of which, recognised negative goodwill related to the merger with Sparebanken Telemark amounted to NOK 151 million in the second quarter of 2021.

Change in equity

Group

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

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

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

²⁾ Of which the effect from implementing IFRS 17 and IFRS 9 on the opening balance on 01.01.2023 for joint ventures amounts to NOK 61 million

Group

(Amounts in NOK millions)	Equity certificate capital ¹⁾	Share premium fund	Dividend 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 31.12.2021	1 778	2 777	1 108	3 727	7	26	350	318	10	10 100
Interest expenses on subordinated bonds								-4		-4
Dividends/gifts from 2021, paid out in 2022			-296	-196					-4	-496
Other changes in equity								-14		-14
Profit before other comprehensive income										
Entries that can be reclassified through profit or loss:										1
Change in value of loans classified at fair value						1				
Share of OCI from associated companies and joint ventures										0
Equity as at 31.03.2022	1 778	2 777	812	3 532	7	27	350	470	5	9 758

¹⁾ NOK 0.6 million was deducted from equity certificate capital as at 31.03.2022 for the treasury holding

As at 31.12.2021, NOK 2.8 million was deducted from equity certificate capital for the treasury holding

Parent bank

(Amounts in NOK millions)	Equity certificate capital ¹⁾	Share premium fund	Dividend 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 expenses on subordinated bonds								-6	-6
Dividends/gifts from 2022, paid out in 2023			-364	-236					-600
Profit before other comprehensive income								292	292
Entries that can be reclassified through profit or loss:									
Change in value of loans classified at fair value								-1	-1
Equity as at 31.03.2023	2 101	3 779	1 049	4 480	7	91	350	285	12 142

¹⁾ NOK 0.6 million was deducted from equity certificate capital as at 31.03.2023 for the treasury holding
As at 31.12.2022, NOK 0.6 million was deducted from equity certificate capital for the treasury holding

Parent bank

(Amounts in NOK millions)	Equity certificate capital ¹⁾	Share premium fund	Dividend equalisation fund	Spare-bankens fond	Gift fund	Fund for unrealised gains	Hybrid capital	Other equity	Total equity
Equity as at 31.12.2021	1 778	2 777	1 108	3 727	7	26	350	0	9 773
Interest expenses on subordinated bonds								-4	-4
Dividends/gifts from 2021, paid out in 2022			-296	-196					-492
Profit before other comprehensive income								154	154
Entries that can be reclassified through profit or loss:									
Change in value of loans classified at fair value						1			1
Equity as at 31.03.2022	1 778	2 777	812	3 532	7	27	350	150	9 432

¹⁾ NOK 0.6 million was deducted from equity certificate capital as at 31.03.2022 for the treasury holding
As at 31.12.2021, NOK 2.8 million was deducted from equity certificate capital for the treasury holding

Cash flow statement

Parent bank				Group		
31.12.2022	31.03.2022	31.03.2023	Amounts in NOK millions	31.03.2023	31.03.2022	31.12.2022
			Cash flow from operating activities			
1 303	199	384	Period's profit before tax	413	215	1 311
			Net profit from joint ventures	-26	-14	-158
-6	0	0	Loss/gain from fixed assets	0	0	-6
50	9	14	Depreciation and impairments	15	10	54
40	-11	-1	Impairment of loans	-1	-11	40
-258	-258	-215	Tax payable	-219	-261	-267
-139	-218	1 297	Change in lending and other assets	1 308	-217	-143
521	887	38	Change in deposits from customers	46	893	505
-150	-85	-105	Change in loans to and receivables from credit institutions	-105	-85	-150
-1 694	-783	-951	Change in certificates and bonds	-951	-783	-1 694
-21	9	-170	Change in other receivables	-171	9	-24
-252	-99	839	Change in other current liabilities	823	-106	-262
-607	-352	1 131	Net cash flow from operating activities	1 132	-350	-794
			Cash flow from investing activities			
625	0	0	Cash and cash equivalents added through merger 1)	0	0	642
-37	-16	-6	Investments in property, plant and equipment	-7	-17	-39
15	0	0	Sales of property, plant and equipment	0	0	15
-231	-4	-21	Investments in shares, equity certificates and units	-21	-4	-114
130	28	7	Sales of shares, equity certificates and units	7	28	130
502	8	-21	Net cash flow from investing activities	-21	7	635
			Cash flow from financing activities			
6 168	950	0	Increase in financial borrowing	0	950	6 223
-4 787	-730	-617	Repayment of financial borrowing	-617	-731	-4 785
416	0	0	Borrowing subordinated loans/additional Tier 1 capital	0	0	416
-411	0	0	Repayment, subordinated loans / additional Tier 1 capital	0	0	-411
6	0	0	Buy-back of own equity certificates for saving programme	0	0	6
-492	-297	-1	Dividends/gifts paid	-1	-296	-496
901	-77	-618	Net cash flow from financing activities	-618	-77	954
796	-420	493	Total change in cash and cash equivalents in year	493	-420	796
1 812	1 812	2 607	Cash and cash equivalents OB	2 607	1 812	1 812
2 607	1 392	3 100	Cash and cash equivalents at end of period	3 100	1 392	2 607
796	-420	493	Net change in cash and cash equivalents in year	493	-420	796
			Cash and cash equivalents, specified			
108	106	1 096	Cash holdings and receivables from central banks	1 096	106	108
2 499	1 286	2 004	Loans to and receivables from credit institutions without agreed maturity	2 004	1 286	2 499
2 607	1 392	3 100	Cash and cash equivalents	3 100	1 392	2 607

¹⁾ Cash and cash equivalents from SpareBank 1 Modum upon merger on 1.01.2022

Additional specifications

Cash flow from interest received, interest payments and dividends received

Parent bank			Amounts in NOK millions	Group		
31.12.2022	31.03.2022	31.03.2023		31.03.2023	31.03.2022	31.12.2022
2 356	416	850	Interest received on loans to customers	849	416	2 354
-494	-60	-264	Interest paid on deposits from customers	-263	-60	-492
39	5	23	Interest received on loans to and receivables from credit institutions	23	5	39
-1	0	0	Interest paid on loans to and receivables from credit institutions	0	0	-1
189	27	84	Interest received on certificates and bonds	84	27	189
-482	-71	-201	Interest paid on certificates and bonds	-201	-71	-482
193	13	3	Dividends from investments	3	13	172
1 800	329	495	Net cash flow from interest received, interest payments and dividends received	495	329	1 780



Notes to the financial statements

Note 1 – Accounting policies

The interim report for SpareBank 1 Sørøst-Norge covers the period 1.01-01.31.03. The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim financial statements do not include all of the information required in complete financial statements and should be read in conjunction with the annual financial statements for 2022. In these interim financial statements, SpareBank 1 Sørøst-Norge has applied the same accounting policies and calculation methods applied in the annual financial statements for 2022, with the exception of the implementation of IFRS 17 as described below. The interim financial statements are unaudited.

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 2022.

New and revised standards adopted in 2023

IFRS 17 Insurance Contracts replaces IFRS 4 Insurance Contracts and specifies principles for recognising, measuring, presenting and disclosing insurance contracts. The purpose of the new standard is to eliminate different practices in the accounting treatment of insurance contracts. The key features of the new model are as follows:

- An estimated present value of future cash flows for a group of insurance contracts. Future cash flows include future payments of premiums and payments of insurance settlements, claims and other payments to policyholders. The estimate must take into account an

explicit adjustment for risk and must be based on the circumstances on the statement of financial position date.

- A contractual service margin, which is equal to the day-1 gain in the estimated present value of future cash flows from a group of insurance contracts. This is equal to the profit element of the insurance contracts that must be recognised over the period during which the service is provided, i.e. the policy's period of cover.
- Certain changes in the estimated present value of future cash flows are adjusted in relation to the contractual service margin and are thereby recognised through profit or loss over the remaining period covered by the relevant contracts.
- The effects of changes in the discount rate must, as an accounting policy choice, be presented either through profit or loss or through other comprehensive income.

Generally, IFRS 17 should be applied retrospectively, although modified retrospective application or application based on fair value on the date of transition is permitted if retrospective application is impractical.

The Group's equity was reduced by NOK 70 million as a result of the associated company SpareBank 1 Gruppen AS's implementation of this standard on 01.01.2022. SpareBank 1 Gruppen AS's profit for 2022 restated in line with IFRS 17/IFRS 9 is adjusted by NOK 10 million, such that the effect on equity on 01.01.2023 is NOK 61 million.

Comparative figures have not been restated.

Implementation effect of IFRS 17 2022:

(Amounts in NOK millions)

Equity as at 31.12.2022 before implementation	12 774
Implementation IFRS 17/IFRS 9 01.01.2022	-70
Adjusted result for 2022 due to the implementation of IFRS 17/IFRS 9	10
Implementation effect on equity 01.01.2023	-61
Changed equity, Group, as at 01.01.2023	12 713

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 principles. This will therefore affect the reported amounts for assets, liabilities, income and expenses.

In the financial statements for 2022, Note 3 'Critical estimates and assessments regarding the use of accounting policies', gives more details of significant estimates and assumptions.

The IFRS 9 loss model is based on multiple input factors from the portfolios, where the events have occurred as of the statement of financial position date but where there is some natural delay before updated information is entered

into the model. Because of this delay factor, the Bank has conducted detailed, quarterly reviews of the corporate market portfolio in order to identify and make loss provisions for individual exposures. PD/LGD levels have not been recalibrated in the model as at 31.03.2023.

In addition to individual loss assessments, the Bank changed the model's scenario weighting based on an assessment. The scenario weights were unchanged for the corporate market portfolio and the retail market portfolio. The weighting includes an increase for the worst case scenario and reflects some uncertainty linked to economic developments going forward. Please see the more detailed comments in Note 6 and the Board of Directors' Interim Report.

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. From the end of 2022 onwards, the Bank will report a consolidated capital adequacy statement. 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 and BN Bank ASA.

The countercyclical buffer has been increased by a further 0.5 percentage points as at 31.03.2023, such that the total countercyclical buffer will be 2.5% at the end of the first quarter of 2023. On 16.12.2022, the Ministry of Finance decided to postpone introduction of an increase in the systemic risk buffer for banks that use the standard method. The requirement to increase the systemic risk buffer from 3.0% to 4.5% has been postponed by a year, meaning

that the requirement will first apply from the end of 2023. In connection with the approval of the merger with SpareBank 1 Modum in March 2022, the Financial Supervisory Authority of Norway set a new Pillar 2022 requirement of 2%. This requirement will apply until the Financial Supervisory Authority of Norway sets a new Pillar 2 requirement. The regulatory requirement for the Common Equity Tier 1 capital ratio at the end of 2022 was 14.5% excluding the management buffer. The Group's target for the Common Equity Tier 1 capital ratio is 17.0%.

At the end of the first quarter of 2023, the Common Equity Tier 1 capital ratio was 19.1% (18.2%) and the leverage ratio was 8.3% (8.3%). The regulatory requirement for the leverage ratio is 3.0%. Both targets were met by a good margin by the end of the first quarter of 2023.

Parent bank				Group ¹⁾	
31.12.2022	31.03.2022	31.03.2023	(Amounts in NOK millions)	31.03.2023	31.12.2022
12 107	9 082	11 792	Total capitalised equity (excl. hybrid capital)	12 082	12 424
-946	-150	-637	Capitalised equity not included in Tier 1 capital	-637	-946
			Common Equity Tier 1 capital from consolidated companies that can be included	163	200
			Non-controlling interests that cannot be included in Common Equity Tier 1 capital	-5	-7
-15	-11	-16	Value adjustments on shares and bonds measured at fair value (AVA)	-23	-22
			Other intangible assets	-9	-9
			Positive value of adjusted expected loss	-72	-67
-357		-357	Deduction for goodwill	-458	-458
-174	-129	-184	Deduction for non-material interests in the financial sector	-184	-174
-886	-717	-899	Deduction for material interests in the financial sector		
9 729	8 075	9 700	Total Common Equity Tier 1 capital	10 856	10 939
350	350	350	Hybrid capital	350	350
			Additional Tier 1 capital issued by consolidated companies that can be included	158	149
10 079	8 425	10 050	Total Tier 1 capital	11 364	11 439
			Supplementary capital in excess of Tier 1 capital		
745	650	745	Time-limited primary capital	745	745
			Primary capital issued by consolidated companies that can be included	215	216
10 824	9 075	10 795	Net primary capital	12 323	12 399

Parent bank				Group ¹⁾	
31.12.2022	31.03.2022	31.03.2023	(Amounts in NOK millions)	31.03.2023	31.12.2022
			Risk-weighted basis for calculation		
41 126	36 869	41 252	Assets not included in the trading portfolio	51 871	51 272
3 782	3 066	3 782	Operational risk	4 323	4 327
56	75	49	CVA surcharge (counterparty risk on derivatives)	726	497
44 964	40 009	45 082	Total basis for calculation	56 920	56 096
21.6%	20.2%	21.5%	Common Equity Tier 1 capital ratio	19.1%	19.5%
22.4%	21.1%	22.3%	Tier 1 capital ratio	20.0%	20.4%
24.1%	22.7%	23.9%	Capital adequacy	21.7%	22.1%
11.0%	10.9%	10.8%	Leverage ratio	8.3%	8.5%
			Buffer requirements		
1 124	1 000	1 127	Capital conservation buffer (2.5%)	1 423	1 402
899	400	1 127	Countercyclical buffer (2.5%/1.0%)	1 423	1 122
1 349	1 200	1 352	Systemic risk buffer (3.0%)	1 708	1 683
3 372	2 601	3 607	Total buffer requirement for Common Equity Tier 1 capital	4 554	4 207
2 023	1 800	2 029	Minimum requirement for Common Equity Tier 1 capital (4.5%)	2 561	2 524
4 333	3 674	4 064	Available Common Equity Tier 1 capital in excess of minimum requirement	3 741	4 208

Parent bank				Group ¹⁾	
31.12.2022	31.03.2022	31.03.2023	Specification of risk-weighted credit risk (Amounts in NOK millions)	31.03.2023	31.12.2022
60	44	59	Governments and central banks	59	60
241	58	380	Local and regional authorities	470	313
10	10	10	Publicly owned companies	11	11
195	194	222	Institutions	748	521
4 015	4 225	4 102	Companies	5 683	5 269
5 760	4 489	6 168	Mass market	7 813	7 325
24 068	22 525	23 434	Mortgaged against real estate	31 260	31 430
592	327	641	Exposures past due	697	646
1 898	1 746	1 895	High-risk exposures	1 895	1 898
452	468	486	Covered bonds	764	762
513	257	401	Receivables from institutions and companies with short-term ratings	401	513
69	46	73	Shares in securities funds	74	69
2 757	2 145	2 760	Equity items	1 328	1 682
497	335	621	Other exposures	668	774
41 126	36 869	41 252	Total credit risk	51 871	51 272

¹⁾ Proportional consolidation

Proportional consolidation

Amounts in NOK millions	31.03.2022
Primary capital	
Common Equity Tier 1 capital	8 855
Tier 1 capital	9 339
Primary capital	10 185
 Basis for calculation	 48 588
Capital adequacy	
Common Equity Tier 1 capital ratio	18.2%
Tier 1 capital ratio	19.2%
Capital adequacy	21.0%
Leverage ratio	8.3%

Note 4 – Segment Information

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

The reporting of segments is divided into the following

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

Group 31.03.2023

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

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

Group 31.03.2022

(Amounts in NOK millions)	RM	CM	Not allocated	Total
Profit				
Net interest income	181	126	0	306
Net commission and other income	154	54	-4	203
Operating expenses	203	105	-3	306
Profit before losses	131	74	-1	204
Losses on loans and guarantees	0	-11		-11
Profit before tax	131	85	-1	215

(Amounts in NOK millions)	RM	CM	Not allocated	Total
Statement of financial position				
Net lending to customers	44 344	18 541	-28	62 856
Other assets	0	0	12 882	12 882
Total assets per segment	44 344	18 541	12 854	75 738
Deposits from and liabilities to customers	31 593	15 559	-46	47 105
Other equity and liabilities	0	0	28 633	28 633
Total equity and debt per segment	31 593	15 559	28 587	75 738

Group 31.12.2022

(Amounts in NOK millions)	RM	CM	Not allocated	Total
Profit				
Net interest income	916	656	1	1 573
Net commission and other income	800	263	-13	1 050
Operating expenses	928	357	-13	1 272
Profit before losses	788	562	0	1 351
Losses on loans and guarantees	8	31		40
Profit before tax	780	531	0	1 311

(Amounts in NOK millions)	RM	CM	Not allocated	Total
Statement of financial position				
Net lending to customers	52 096	20 476	-26	72 546
Other assets			17 001	17 001
Total assets per segment	52 096	20 476	16 975	89 547
Deposits from and liabilities to customers	36 756	18 527	-67	55 216
Other equity and liabilities			34 331	34 331
Total equity and debt per segment	36 756	18 527	34 264	89 547

Note 5 – Impairment of loans

Parent bank				Group		
31.12.2022	31.03.2022	31.03.2023	(Amounts in NOK millions)	31.03.2023	31.03.2022	31.12.2022
10	0	0	Effect of merger with SpareBank 1 Modum ¹⁾	0	0	10
-23	-2	-5	Change in impairment provisions in the period, Stage 1	-5	-2	-23
4	-20	-4	Change in impairment provisions in the period, Stage 2	-4	-20	4
56	9	8	Change in impairment provisions in the period, Stage 3	8	9	56
17	3	3	Losses for the period with previous impairments	3	3	17
-1	0	-1	Losses for the period without previous impairments	-1	0	-1
-12	-1	-2	Previously recognised impairments at start of period	-2	-1	-12
-10	0	0	Other corrections/amortisation of impairments	0	0	-10
40	-11	-1	Losses on loans and guarantees in the period	-1	-11	40

¹⁾ Loans and guarantees in Stage 1 were measured at fair value, equivalent to amortised cost, in connection with the opening balance upon the merger with SpareBank 1 Modum on 01.04.2022. Upon initial recognition in the merged bank, the loans were reassessed and loss provisions of NOK 10 million were made in Stage 1. This corresponds to SpareBank 1 Modum's impairment provisions as at 31.03.2022 (prior to the merger).

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	Stage 1	Stage 2	Stage 3	Total
31.12.2022	109	85	160	353
Impairment provisions transferred to Stage 1	9	-9	0	0
Impairment provisions transferred to Stage 2	-3	3	0	0
Impairment provisions transferred to Stage 3	0	-2	2	0
New financial assets issued or purchased	11	4	3	18
Increase in existing loans	8	23	23	54
Reduction in existing loans	-16	-11	-9	-36
Financial assets that have been deducted	-13	-10	-5	-29
Changes due to recognised impairments (recognised losses)	0	0	-29	-29
Changes due to reversals of previous impairments (recognised)	0	0	0	0
31.03.2023	105	82	144	331
- reversal of impairment provisions related to fair value through OCI	-27			-27
Capitalised impairment provisions as at 31.03.2023	79	82	144	304
Of which, impairment provisions for capitalised loans	69	80	139	288
Of which, impairment provisions for unused credits and guarantees	10	3	4	17
Of which: impairment provisions, corporate market - amortised cost	74	40	93	207
Of which: impairment provisions, retail market - amortised cost	5	42	50	97

(Amounts in NOK millions)

	Group			
Impairment provisions for loans and guarantees	Stage 1	Stage 2	Stage 3	Total
31.12.2021	120	72	95	287
Impairment provisions transferred to Stage 1	15	-15	0	0
Impairment provisions transferred to Stage 2	-3	3	0	0
Impairment provisions transferred to Stage 3	0	-3	3	0
New financial assets issued or purchased	7	1	0	8
Increase in existing loans	5	12	15	31
Reduction in existing loans	-19	-10	-4	-34
Financial assets that have been deducted	-6	-8	-4	-17
31.03.2022	118	53	104	275
- reversal of impairment provisions related to fair value through OCI	-23			-23
Capitalised impairment provisions as at 31.03.2022	94	53	104	251
Of which, impairment provisions for capitalised loans	71	52	100	222
Of which, impairment provisions for unused credits and guarantees	24	1	5	30
Of which: impairment provisions, corporate market - amortised cost	88	18	68	174
Of which: impairment provisions, retail market - amortised cost	6	35	37	77

(Amounts in NOK millions)

Impairment provisions for loans and guarantees	Group			
	Stage 1	Stage 2	Stage 3	Total
31.12.2021	120	72	95	287
Recognised through profit or loss in connection with the recognition of loans in Stage 1 upon the merger	10	0	0	10
Recognised gross on the statement of financial position in connection with the recognition of loans in Stage 2 upon the merger	0	7	0	7
Impairment provisions transferred to Stage 1	19	-19	0	0
Impairment provisions transferred to Stage 2	-11	13	-2	0
Impairment provisions transferred to Stage 3	0	-2	2	0
New financial assets issued or purchased	33	11	18	62
Increase in existing loans	16	41	52	109
Reduction in existing loans	-41	-15	9	-48
Financial assets that have been deducted	-36	-24	-14	-74
Changes due to recognised impairments (recognised losses)	0	0	0	0
31.12.2022	109	85	160	353
- reversal of impairment provisions related to fair value through OCI	-28	-	-	-28
Capitalised impairment provisions as at 31.12.2022	81	85	160	325
Of which, impairment provisions for capitalised loans	74	78	73	225
Of which, impairment provisions for unused credits and guarantees	21	6	7	34
Of which: impairment provisions, corporate market - amortised cost	68	40	129	237
Of which: impairment provisions, retail market - amortised cost	13	45	31	89

Sensitivity analysis – loss model

The model calculates impairments on commitments 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, GDP growth, interest rates, house prices, etc.

At the same time, the loss model is based on multiple input factors from the portfolios, where the events have occurred as of the balance sheet date but where there is some natural delay before updated information is entered into the model. Because of this delay factor, the Bank

has reviewed our corporate market portfolio in order to identify and make loss provisions for individual exposures. PD/LGD levels have not been recalibrated in the model as at 31.03.2023.

In addition to individual loss assessments, the Bank changed the model's scenario weighting based on an assessment. The scenario weights were unchanged for the corporate market portfolio (75/20/5) and the retail market portfolio (80/15/5). The weighting includes an increase for the worst case scenario and reflects some uncertainty linked to economic developments going forward.

Below, the impairment provisions are shown at full (100%) weighting of the various scenarios in order to illustrate the span in the model.

Scenario weights used as at 31.03.2023

(Amounts in NOK millions)	Weight RM/CM	CM	RM	Total
Scenario 1 (normal case)	80%/75%	146	69	215
Scenario 2 (worst case)	15%/20%	95	52	147
Scenario 3 (best case)	5%/5%	8	3	11
Total estimated IFRS 9 provisions		248	124	372
Adjusted for amortisation effects		-42		-42
-reversal of impairment provisions related to at fair value through OCI			-27	-27
Capitalised impairment provisions for the parent bank as at 31.03.2023		207	97	304

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

(Amounts in NOK millions)	Weight RM/CM	CM	RM	Total
Scenario 1 (normal case)	100%/100%	194	86	281
Scenario 2 (worst case)	100%/100%	474	345	819
Scenario 3 (best case)	100%/100%	155	60	215

	31.03.2023	31.03.2022	31.12.2022
Scenario weights used	Weight RM/CM	Weight RM/CM	Weight RM/CM
Scenario 1 (normal case)	80%/75%	80%/80%	80%/75%
Scenario 2 (worst case)	15%/20%	15%/15%	15%/20%
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			
Loans to customers by Stages 1, 2 and 3	Stage 1	Stage 2	Stage 3	Total
31.12.2022	64 530	4 052	659	69 241
Loans transferred to Stage 1	505	-495	-10	0
Loans transferred to Stage 2	-1 048	1 049	-1	0
Loans transferred to Stage 3	0	-64	64	0
New financial assets issued or purchased	2 979	62	1	3 043
Increase in existing loans	4 676	202	15	4 893
Reduction in existing loans	-4 449	-355	-23	-4 827
Financial assets that have been deducted	-4 011	-295	-34	-4 340
Changes due to recognised impairments (recognised losses)	0	0	-29	-29
Changes due to reversals of previous impairments (recognised)	0	0	3	3
31.03.2023	63 180	4 157	647	67 983
Impairment provisions as % of gross lending	0.12%	1.98%	22.20%	0.45%
Of which lending to CM	18 649	1 312	446	20 407
Of which lending to RM	44 531	2 845	201	47 577

(Amounts in NOK millions)

	Group			
Loans to customers by Stages 1, 2 and 3	Stage 1	Stage 2	Stage 3	Total
31.12.2021	58 441	3 950	381	62 771
Loans transferred to Stage 1	893	-892	-1	0
Loans transferred to Stage 2	-844	848	-3	0
Loans transferred to Stage 3	-9	-36	45	0
New financial assets issued or purchased	5 192	45	0	5 237
Increase in existing loans	642	61	6	709
Reduction in existing loans	-1 133	-141	-6	-1 280
Financial assets that have been deducted	-3 982	-356	-20	-4 359
Changes due to recognised impairments (recognised losses)	0	0	0	0
31.03.2022	59 199	3 477	401	63 078
Impairment provisions as % of gross lending	0.01%	0.99%	9.21%	0.44%
Of which lending to CM	16 228	1 102	244	17 575
Of which lending to RM	42 971	2 375	157	45 503

(Amounts in NOK millions)

	Group			
Loans to customers by Stages 1, 2 and 3	Stage 1	Stage 2	Stage 3	Total
31.12.2021	55 639	3 950	338	59 927
Effect of merger with SpareBank 1 Modum	8 509	528	53	9 090
Loans transferred to Stage 1	1 435	-1 426	-9	0
Loans transferred to Stage 2	-2 073	2 104	-31	0
Loans transferred to Stage 3	-69	-85	154	0
New financial assets issued or purchased	22 237	421	258	22 916
Increase in existing loans	2 709	186	20	2 915
Reduction in existing loans	-4 746	-417	-32	-5 195
Financial assets that have been deducted	-19 113	-1 239	-81	-20 432
Changes due to recognised impairments (recognised losses)	-2	0	-22	-24
Changes due to reversals of previous impairments (recognised)	5	29	10	43
31.12.2022	64 530	4 052	659	69 241
Impairment provisions as % of gross lending	0.17%	2.09%	24.24%	0.51%
Of which lending to CM	18 861	1 399	453	20 713
Of which lending to RM	45 668	2 653	207	48 528

Note 8 – Loan to customers by sector and industry

Parent bank				Group		
31.12.2022	31.03.2022	31.03.2023	(Amounts in NOK millions)	31.03.2023	31.03.2022	31.12.2022
51 349	44 390	50 239	Employees, etc.	50 239	44 390	51 349
13 202	11 892	12 795	Real estate management/business services, etc.	12 772	11 864	13 176
3 343	3 065	3 708	Real estate management housing cooperatives	3 708	3 065	3 343
1 003	777	915	Wholesale and retail trade/hotels and restaurants	915	777	1 003
993	588	1 009	Agriculture/forestry	1 009	588	993
881	635	853	Building and construction	853	635	881
1 132	690	1 239	Transport and service Industries	1 239	690	1 132
565	611	578	Production (manufacturing)	578	611	565
0	10	0	Public administration	0	10	0
409	448	197	Other	197	448	409
72 878	63 106	71 533	Gross lending	71 510	63 078	72 852
20 144	19 832	19 885	- Of which, measured at amortised cost	19 861	19 804	20 119
49 122	40 265	48 122	- Of which, measured at fair value through OCI	48 122	40 265	49 122
3 611	3 008	3 526	- Of which, measured at fair value through profit or loss	3 526	3 008	3 611
-306	-222	-288	- Impairment provisions for loans	-288	-222	-306
72 572	62 884	71 245	Net lending	71 222	62 856	72 546
72 878	63 106	71 533	Gross lending	71 510	63 078	72 852
30 802	24 299	31 434	Gross lending transferred to SB1 Boligkreditt	31 434	24 299	30 802
1 487	1 522	1 482	Gross lending transferred to SB1 Næringskreditt	1 482	1 522	1 487
105 167	88 926	104 449	Gross lending incl. SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt	104 426	88 898	105 141

Note 9 – Transfer of financial assets

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

The bonds can be deposited with Norges Bank, so carry no significant added risk for SpareBank 1 Sørøst-Norge. The Bank has signed an agreement for the legal sale of loans with high security and collateral in real estate to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS. For more information on the accounting treatment of the agreements, see Note 2 and Note 10 to the annual financial statements for 2022.

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.

Fair value hedging

The Bank has hedged fixed rate borrowing with a capitalised value of NOK 6 800 million. The borrowing is hedged 1:1 through external contracts where the term to maturity and fixed rate of the hedged item and hedging transaction match. The Bank prepares quarterly documentation of the effectiveness of the hedging instrument in relation to the hedged item. A total of 11 transactions involving borrowing were hedged as at 31.03.2023.

Fair value hedging (amounts in NOK millions)	31.03.2023	31.03.2022	31.12.2022
Net recognition of hedging instruments	-19	181	224
Net recognition of hedged items	19	-180	-222
Total fair value hedging	0.4	1.3	2.4
Accumulated hedging adjustments for hedged items	-245	-220	-262

Group

(Amounts in NOK millions)	31.03.2023			31.03.2022			31.12.2022		
	Contract sum	Fair value Assets	Fair value Liabilities	Contract sum	Fair value Assets	Fair value Liabilities	Contract sum	Fair value Assets	Fair value Liabilities
Interest rate instruments									
Interest rate swap agreements – hedging of customer-related assets at fair value through profit or loss	3 230	115	3	2 907	72	4	3 560	121	1
Interest rate swap agreements – hedging of fixed income securities	554	14	17	355	16	18	455	16	15
Interest rate swap agreements – hedging of fair value of fixed rate borrowing	6 800	71	220	5 600	31	164	6 800	54	250
Total interest rate instruments	10 584	200	240	8 862	119	186	10 815	191	267

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 remaining time to maturity for the Bank's bond debt was 3.0 (3.0) years at the end of the quarter.

The liquidity coverage ratio (LCR) was 210% (154%) at the end of the quarter and the average LCR was 230% (167%) in the year to date in 2023.

Note 12 – Net interest income

Parent bank				Group		
31.12.2022	31.03.2022	31.03.2023	(Amounts in NOK millions)	31.03.2023	31.03.2022	31.12.2022
			Interest income			
39	5	23	Interest rates on loans to credit institutions at amortised cost	23	5	39
878	155	293	Interest on loans to customers at amortised cost	293	155	877
1 380	246	518	Interest on loans to customers at fair value through OCI	518	245	1 380
2 297	406	835	Total interest income - assets measured at amortised cost	834	405	2 296
98	14	38	Interest on loans to customers at fixed rates	38	14	98
189	27	84	Interest on securities at fair value	84	27	189
287	41	122	Total interest income - assets measured at fair value	122	41	287
2 584	447	957	Total interest income	956	446	2 583
			Interest expenses			
1	0	0	Interest and similar expenses for liabilities to credit institutions	0	0	1
494	60	264	Interest and similar expenses for deposits from and liabilities to customers	263	59	492
457	67	193	Interest and similar expenses for issued securities	193	67	457
25	4	9	Interest and similar expenses for subordinated loan capital	9	4	25
35	9	9	Other interest expenses and similar expenses	9	9	35
1 012	140	474	Total interest expenses	474	140	1 010
1 572	306	482	Net interest income	483	306	1 573

Note 13 – Net commission and other income

Parent bank				Group		
31.12.2022	31.03.2022	31.03.2023	(Amounts in NOK millions)	31.03.2023	31.03.2022	31.12.2022
			Commission income			
12	3	3	Guarantee commission	3	3	12
1	0	0	Interbank commission	0	0	1
19	3	4	Credit brokerage	4	3	19
34	9	8	Securities trading and management	8	9	34
223	44	54	Payment services	54	44	223
144	30	36	Insurance services	36	30	144
18	2	2	Other commission income	2	2	18
166	48	40	Commission from SpareBank 1 Boligkreditt and Spare-Bank 1 Næringskreditt	40	48	166
618	140	148	Total commission income	148	140	618
			Commission expenses			
1	0	0	Interbank fees	0	0	1
23	5	10	Payment services	10	5	23
14	3	4	Other commission expenses	4	3	14
39	8	15	Total commission expenses	15	8	39
579	131	133	Net commission income	133	131	579
			Other operating income			
4	1	1	Operating income from real estate	1	1	4
6	0	0	Profit from the sale of fixed assets	0	0	6
6	1	2	Other operating income	2	1	6
0	0	0	Operating income from estate agency business	48	38	233
0	0	0	Operating income from accounting firms	26	15	55
16	2	3	Total other operating income	78	55	304
595	133	136	Net commission and other income	211	187	883

Note 14 – Net result from other financial investments

Parent bank				Group		
31.12.2022	31.03.2022	31.03.2023	(Amounts in NOK millions)	31.03.2023	31.03.2022	31.12.2022
65	10	16	Net change in value of stocks, shares, etc. measured at fair value	16	10	65
-71	-27	-17	Net change in value of bonds/certificates measured at fair value	-17	-27	-71
-17	4	0	Net change in value of financial derivatives measured at fair value	0	4	-17
17	3	4	Exchange rate gains/losses on currency	4	3	17
-5	-10	4	Net result from other financial investments	4	-10	-5

Note 15 – Measuring fair value of financial instruments

Financial instruments at fair value are classified at different levels.

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

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

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

Level 3: Valuation based on other than observable data.

If no valuation is available in relation to level 1 and 2, valuation methods based on non-observable information are used.

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

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

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

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

The Group's assets and liabilities measured at fair value as at 31.03.2022

Assets (Amounts in NOK millions)	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
- Fixed-rate loans			3 008	3 008
- Mortgages at fair value through OCI			40 265	40 265
- Interest-bearing securities	252	6 677		6 930
- Shares, units and equity certificates	199		1 991	2 190
- Financial derivatives		119		119
Total assets	451	6 797	45 265	52 513
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value				
- Securities issued		5 600		5 600
- Financial derivatives		186		186
Total liabilities		5 786		5 786

The Group's assets and liabilities measured at fair value as at 31.12.2022

Assets (Amounts in NOK millions)	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
- Fixed-rate loans			3 611	3 611
- Mortgages at fair value through OCI			49 122	49 122
- Interest-bearing securities	250	8 180		8 430
- Shares, units and equity certificates	219		2 397	2 617
- Financial derivatives		191		191
Total assets	469	8 371	55 130	63 971
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value				
- Securities issued		6 583		6 583
- Financial derivatives		267		267
Total liabilities	0	6 850	0	6 850

Changes in instruments classified as Level 3 as at 31.03.2023

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

Changes in instruments classified as Level 3 as at 31.03.2022

(Amounts in NOK millions)	Fixed rate loans	Shares at fair value through profit or loss	Lending at fair value through OCI
Opening balance 01.01.2022	2 844	2 004	40 143
Additions	268	2	4 625
Disposals	-104	-15	-4 503
Net gain/loss on financial instruments			
Closing balance 31.03.2022	3 008	1 991	40 265

Changes in instruments classified as Level 3 as at 31.12.2022

(Amounts in NOK millions)	Fixed rate loans	Shares at fair value through profit or loss	Lending at fair value through OCI
Opening balance 01.01.2022	2 844	2 004	40 143
Supply from merger with SpareBank 1 Modum	651	352	6 506
Additions	758	111	22 912
Disposals	-641	-130	-20 439
Net gain/loss on financial instruments		60	
Closing balance 31.12.2022	3 611	2 397	49 122

Note 16 – Other assets

Parent bank				Group		
31.12.2022	31.03.2022	31.03.2023	(Amounts in NOK millions)	31.03.2023	31.03.2022	31.12.2022
43	34	205	Prepaid, unaccrued costs, and accrued income not yet received	308	114	150
117	103	85	Other assets	97	108	126
191	119	200	Derivatives and other financial instruments at fair value	200	119	191
351	256	490	Total other assets	606	342	467

Note 17 – Deposits from customers by sector and industry

Parent bank				Group		
31.12.2022	31.03.2022	31.03.2023	(Amounts in NOK millions)	31.03.2023	31.03.2022	31.12.2022
36 228	30 691	36 235	Employees, etc.	36 235	30 691	36 228
5 896	6 315	5 742	Real estate management/business services, etc.	5 683	6 268	5 829
310	283	307	Real estate management housing cooperatives	307	283	310
1 754	1 669	1 685	Wholesale and retail trade/hotels and restaurants	1 685	1 669	1 754
802	395	876	Agriculture/forestry	876	395	802
1 744	1 210	1 553	Building and construction	1 553	1 210	1 744
4 184	2 891	5 267	Transport and service Industries	5 267	2 891	4 184
984	597	1 008	Production (manufacturing)	1 008	597	984
2 500	1 890	2 199	Public administration	2 199	1 890	2 500
882	1 210	449	Other	449	1 210	882
55 284	47 151	55 322	Total deposits	55 263	47 105	55 216

Note 18 – Securities debt

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.

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

Group (Amounts in NOK millions)	31.03.2023	31.03.2022	31.12.2022
Loans from credit institutions, nominal value	0	150	0
Bond debt, senior unsecured, nominal value	15 561	14 863	16 178
Bond debt, SNP, nominal value	3 500	2 200	3 500
Value adjustments and accrued interest	-71	-92	-108
Total interest-bearing securities	18 990	17 121	19 570

Change in financial borrowing

Group (Amounts in NOK millions)	31.03.2023	Issued	Due/redeemed	31.12.2022
Bond debt, senior unsecured, nominal value	15 561	0	-617	16 178
Bond debt, SNP, nominal value	3 500	0	0	3 500
Value adjustments and accrued interest	-71	0	37	-108
Total interest-bearing securities	18 990	0	-580	19 570

Group (Amounts in NOK millions)	31.03.2022	Issued	Due/redeemed	31.12.2021
Loans from credit institutions, nominal value	150	0	0	150
Bond debt, senior unsecured, nominal value	14 863	300	-730	15 293
Bond debt, SNP, nominal value	2 200	650	0	1 550
Value adjustments and accrued interest	-92	0	-163	70
Total interest-bearing securities	17 121	950	-893	17 063

Merger 01.04.2022 port- folio SpareBank 1					
Group (Amounts in NOK millions)	31.12.2022	Modum	Issued	Due/redeemed	31.12.2021
Loans from credit institutions, nominal value	0	0	0	-150	150
Bond debt, senior unsecured, nominal value	16 178	598	3 620	-3 333	15 293
Bond debt, SNP, nominal value	3 500	0	1 950	0	1 550
Value adjustments and accrued interest	-108	0	0	-179	70
Total interest-bearing securities	19 570	598	5 570	-3 662	17 063

Note 19 – Subordinated loan capital

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)	31.03.2023	31.03.2022	31.12.2022
Subordinated loan capital	745	650	745
Value adjustments and accrued interest	4	1	4
Total subordinated loan capital	749	651	749

Change in subordinated loan capital

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

Group (Amounts in NOK millions)	31.03.2022	Issued	Due/redeemed	31.12.2021
Subordinated loan capital	650	0	0	650
Value adjustments and accrued interest	1	0	0	1
Total subordinated loan capital	651	0	0	651

Group (Amounts in NOK millions)	31.12.2022	Merger 01.04.2022 portfolio SpareBank 1 Modum	Issued	Due/redeemed	31.12.2021
Subordinated loan capital	745	90	350	-345	650
Value adjustments and accrued interest	4	0	0	3	1
Total subordinated loan capital	749	90	350	-342	651

Note 20 – Other liabilities

Parent bank				Group		
31.12.2022	31.03.2022	31.03.2023	(Amounts in NOK millions)	31.03.2023	31.03.2022	31.12.2022
139	99	116	Accrued expenses and received unearned income	143	135	166
20	30	17	Provisions for guarantees	17	30	20
81	83	78	IFRS 16 liabilities related to leases	78	76	81
103	140	102	Pension liabilities	103	141	104
226	453	1 642	Other liabilities	1 697	486	282
267	186	240	Derivatives and other financial instruments at fair value	240	186	267
835	990	2 195	Total other liabilities	2 277	1 053	919

Note 21 – Equity certificate holders and distribution of equity certificates

The Bank's equity certificate capital (capital paid in equity certificates) amounts to NOK 2 101 478 415 divided into 140 098 561 equity certificates, each with a nominal value of NOK 15.00. As at 31.03.2023, there were 5 811 (6 094) equity certificates in SpareBank 1 Sørøst-Norge.

The 20 largest were:

	Quantity	% of total number of equity certificates
SPAREBANK 1 STIFTELSEN BV	24 141 356	17.2%
SPAREBANKSTIFTELSEN TELEMAR	18 910 174	13.5%
SPAREBANKSTIFTELSEN SPAREBANK 1 MODUM	18 444 646	13.2%
SPAREBANKSTIFTELSEN NØTTERØY-TØNSBERG	10 925 503	7.8%
SPAREBANKSTIFTELSEN HOLLA OG LUNDE	10 273 723	7.3%
VPF EIKA EGENKAPITALBEVIS	4 169 991	3.0%
SPESIALFONDET BOREA UTBYTTE	3 459 211	2.5%
PARETO INVEST NORGE AS	2 746 539	2.0%
BRANNKASSESTIFTELSEN MIDT-BUSKERUD	2 659 369	1.9%
KOMMUNAL LANDSPENSJONSKASSE GJENSI	1 477 645	1.1%
Landkreditt Utbytte	950 000	0.7%
CATILINA INVEST AS	912 032	0.7%
WENAASGRUPPEN AS	907 432	0.6%
MELESIO INVEST AS	886 937	0.6%
SANDEN EQUITY AS	707 494	0.5%
AARS AS	684 737	0.5%
FORETAKSKONSULENTER AS	621 230	0.4%
SKOGEN INVESTERING AS	605 000	0.4%
HAUSTA INVESTOR AS	420 000	0.3%
JAG HOLDING AS	400 000	0.3%
Total 20 largest equity certificate holders	104 303 019	74.4%
SpareBank 1 Sørøst-Norge (own equity certificates)	168 284	0.1%
Other owners	35 627 258	25.4%
Total number of equity certificates	140 098 561	100.0%

Note 22 – Equity certificates and ownership fractions

Earnings per equity certificate

Earnings per equity certificate are calculated by dividing the portion of the profit/loss assigned to the company's equity certificate holders (minus own equity certificates) by a weighted average of the number of equity certificates over the year.

Diluted earnings per equity certificate

In the calculation of diluted earnings per equity certificate, the weighted average number of issued ordinary equity certificates in circulation is adjusted for the effect of converting potential equity certificates which could lead to dilution. The Bank has no potential equity certificates that could cause dilution as at 31.03.2023. Diluted earnings per equity certificate is therefore equal to earnings per equity certificate.

Parent bank

Equity certificate fraction (Amounts in NOK millions)	31.03.2023
Equity certificate capital	2 101
Share premium fund	3 779
Dividend equalisation fund, excl. other equity	1 049
Total equity certificate holders' capital	6 929
Sparebankens Fond, excl. other equity	4 480
Gift fund	7
Total community-owned capital	4 487
Equity excl. dividends, gifts, hybrid capital and other equity	11 416
Equity certificate fraction	60.7%
Community capital	39.3%

Parent bank	31.03.2023
Based on profit divided between equity certificate holders and community capital (NOK millions)	286
Number of equity certificates issued	140 098 561
Earnings per equity certificate (NOK)	1.24
Market price (NOK)	50.00
Nominal Value (NOK)	15.00
Corrected result (amounts in NOK millions)	
Profit before other comprehensive income	292
- corrected for interest on hybrid Tier 1 securities recognised directly against equity	-6
Adjusted profit	286

Note 23 – Consolidated results from the quarterly financial statements (pro forma)¹⁾

The pro forma results for 2022 and 2021 represent the results for all three banks (former SpareBank 1 BV, Sparebanken Telemark and SpareBank 1 Modum), consolidated as if the merger had occurred with accounting effect from 01.01 in the respective years.

There were no significant eliminations between the banks during this period meaning that the results for the period was just consolidated.

Group

(Amounts in NOK millions)	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Interest income	956	885	678	574	514	476	429	427
Interest expenses	474	410	264	197	161	132	115	116
Net interest income	483	475	414	377	353	344	314	311
Commission income	148	154	164	160	161	182	186	172
Commission expenses	15	12	10	9	10	12	11	10
Other operating income	78	74	75	100	66.7	90	79	93
Net commission and other income	211	216	230	251	218	259	254	255
Dividends	3	33	0	32	13.8	1	0	27
Net result from ownership interests	26	48	17	16	15.3	61	60	67
Net result from other financial investments	4	48	-15	-28	-1.9	4	14	139
Net income from financial assets	33	129	1	19	27	65	74	233
Total net income	727	820	645	648	598	669	642	799
Personnel expenses	177	245	149	152	201	212	180	158
Other operating expenses	137	124	150	147	163	140	118	159
Total operating expenses	314	369	299	299	364	352	298	317
Profit before losses and tax	413	452	346	349	235	316	344	482
Losses on loans and guarantees	-1	29	7	15	-11	-2	-33	112
Profit before tax	413	422	339	334	246	318	377	370
Tax expense	93	80	81	63	51	57	78	35
Profit before other comprehensive income	320	343	258	271	195	261	300	335

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

Note 24 – Consolidated statement of financial position figures from the quarterly financial statements (pro forma)

Group

(Amounts in NOK millions)	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Profitability								
Return on equity ¹⁾	10.4%	10.9%	8.4%	9.4%	6.9%	9.0%	10.6%	12.3%
Net interest income ¹⁾	2.18%	2.11%	1.83%	1.71%	1.65%	1.58%	1.46%	1.49%
Cost-income ratio ¹⁾	43.3%	44.9%	46.3%	46.2%	60.8%	52.7%	46.4%	39.7%
Statement of financial position figures								
Gross lending to customers incl. transfers to mortgage credit institutions ¹⁾	104 426	105 141	105 822	105 255	103 614	102 608	101 677	100 167
Gross lending to customers on the balance sheet	71 510	72 852	74 231	74 087	72 814	72 306	71 701	70 087
Loans transferred to mortgage credit institutions	32 916	32 289	31 590	31 168	30 800	30 302	29 976	30 080
Lending growth 12% past 12 months ¹⁾	0.8%	2.5%	4.1%	5.1%	5.6%	6.4%	6.5%	6.6%
Deposits from customers	55 263	55 216	55 943	57 157	55 590	54 566	55 120	54 795
Deposit coverage on the balance sheet ¹⁾	77.3%	75.8%	75.4%	77.1%	76.3%	75.5%	76.9%	78.2%
Deposit coverage, incl. mortgage credit institutions ¹⁾	52.9%	52.5%	52.9%	54.3%	53.7%	53.2%	54.2%	54.7%
Deposit growth in the past 12 months ¹⁾	-0.6%	1.2%	1.5%	4.3%	8.5%	7.4%	8.1%	6.7%
Total assets	89 897	89 547	89 396	89 863	87 394	86 487	86 140	85 179
Total assets, incl. mortgage credit institutions ¹⁾	122 813	121 837	120 986	121 032	118 194	116 789	116 116	115 259
Equity, excl. hybrid capital	12 082	12 424	12 060	11 804	11 058	11 447	11 205	10 917
Staffing								
Number of FTEs	632.6	651.8	628.2	626.0	632.9	637.2	643.1	633.5
of which parent bank	417.5	431.6	434.6	435.6	445.9	448.6	456.9	464.4

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

Note 25 – 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.

Declaration from the Board of Directors and the CEO

We declare that, to the best of our knowledge and belief, the interim financial statements for the period 01.01 to 31.03.2023 have been prepared in accordance with IAS 34 Interim Reporting, and that the information in the financial statements provides a true picture of the 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 preliminary annual financial statements, the major risk and uncertainty factors facing the business in the coming accounting period, and significant transactions with close associates.

Sandefjord, 09.05.2023

The Board of Directors of SpareBank 1 Sørøst-Norge

Finn Haugan
Chair of the Board

John-Arne Haugerud
Deputy Chair

Lene Svenne

Heine Wang

Jan Erling Nilsen

Lene Marie Aas Thorstensen

Maria Tho

Hanne Myhre Gravdal
Employee representative

Frede Christensen
Employee representative

Per Halvorsen
CEO

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.



