



182th year

Quarterly report

Q2 2024

Interim financial statements – Q2 2024

Key figures – Group	3
Quarterly report	4
Financial statements for the Sparebanken Øst Group	
Income Statement	12
Balance Sheet	13
Changes in Equity	14
Cash Flow Statement	15
Note K1 Basis for preparation of the financial statements	16
Note K2 Operating segments	17
Note K3 Capital adequacy	19
Note K4 Credit risk	21
Note K5 Losses on loans, unused credit and guarantees	23
Note K6 Non-performing commitments, customers	26
Note K7 Net interest income	27
Note K8 Net changes in value and gains/losses on financial instruments	27
Note K9 Operating costs	27
Note K10 Classification of financial instruments	28
Note K11 Financial instruments at fair value.....	30
Note K12 Securities issued, senior subordinated bonds and subordinated loan capital.....	32
Note K13 Equity certificates	33
Note K14 Pledged assets and preferential rights.....	34
Additional Information – Sparebanken Øst Group	
Changes in key figures	35
Definition of key figures and alternative performance indicators	36
Financial performance	37
Balance sheet performance	38
Financial Statements for Sparebanken Øst – Parent bank	
Income Statement	39
Balance Sheet	40
Changes in Equity	41
Cash Flow Statement	42
Note M1 Basis for preparation of the financial statements	43
Note M2 Capital adequacy.....	44
Note M3 Losses on loans, unused credit and guarantees	46
Note M4 Financial instruments at fair value.....	49
Note M5 Securities issued, senior subordinated bonds and subordinated loan capital.....	51
Note M6 Transactions with group companies.....	52
Statement pursuant to Section 5-6 of the Securities Trading Act	53

Key figures – Group

Income Statement (Amounts in NOK millions)	Q2 2024	Q2 2023	1.01.-30.06.2024	1.01.-30.06.2023	Full year 2023
Net interest income	239,8	200,2	463,7	398,8	828,8
Net commission income	9,9	9,0	19,0	24,6	43,3
Net result from financial assets	3,4	7,2	52,2	8,8	42,7
Other operating income	0,4	0,6	0,8	1,1	2,0
Total net income	253,5	216,9	535,8	433,2	916,8
Total operating costs	77,2	75,1	174,1	164,2	345,9
Profit before losses	176,4	141,8	361,7	269,0	570,9
Losses on loans, unused credit and guarantees	2,2	-0,2	4,9	1,5	6,7
Profit/loss before tax	174,2	142,0	356,8	267,6	564,2
Income tax	40,7	31,8	74,7	59,4	123,7
Profit/loss after tax	133,5	110,2	282,0	208,2	440,6

Key figures	2. kvartal 2024	2. kvartal 2023	1.1.-30.6.2024	1.1.-30.6.2023	Året 2023
Profitability					
Return on equity*	11,55	9,59	12,45	9,23	9,87
Net interest income as a % of average total assets	2,07	1,81	2,02	1,81	1,85
Profit/loss after income tax as a % of average total assets	1,15	0,99	1,23	0,95	0,98
Costs as a % of average total assets	0,67	0,68	0,76	0,75	0,77
Costs as a % of income (before losses on loans/guarantees)*	30,43	34,64	32,49	37,90	37,73
Costs as a % of income (excl. return on financial investments)*	30,85	35,83	35,99	38,69	39,57
Balance sheet figures					
Net lending to customers	38.402,7	37.274,5	38.402,7	37.274,5	37.877,1
Lending growth (quarter/12 months)	-0,35	1,60	3,03	-1,04	2,93
Deposits	16.544,1	15.521,7	16.544,1	15.521,7	15.860,8
Deposit growth (quarter/12 months)	3,57	2,39	6,59	-11,16	0,63
Average equity	4.372,0	4.307,4	4.301,5	4.261,3	4.166,1
Average total assets	46.522,9	44.465,3	46.141,5	44.336,3	44.753,3
Loan loss provisions on impaired and non-performing commitments					
Losses as a % of net lending to customers (OB)*	0,02	0,00	0,03	0,01	0,02
Loan loss provisions as a % of gross lending to customers*	0,29	0,29	0,29	0,29	0,29
Net payments over 90 days past due as a % of net lending*	0,24	0,23	0,24	0,23	0,23
Other net non-performing commitments (Stage 3) as a % of net lending*	0,25	0,16	0,25	0,16	0,28
Solvency					
CET1 capital ratio (%)	18,55	19,52	18,55	19,52	18,67
Tier 1 capital ratio (%)	20,25	21,31	20,25	21,31	20,40
Capital adequacy ratio (%)	22,20	23,36	22,20	23,36	22,37
Risk-weighted volume (calculation basis)	20.544,2	19.530,4	20.544,2	19.530,4	20.278,7
Leverage ratio (%)	8,77	9,13	8,77	9,13	8,89
Liquidity					
Deposit coverage ratio	43,08	41,64	43,08	41,64	41,87
LCR (%)	249,67	278,99	249,67	278,99	250,14
NSFR (%)	134,46	126,07	134,46	126,07	127,65
Branches and full-time equivalents					
No. of branches	29	29	29	29	29
FTEs	186	192	186	192	193
Equity certificates					
Ownership fraction (parent bank) (%)**	28,59	28,59	28,59	28,59	28,59
No. of equity certificates	20.731.183	20.731.183	20.731.183	20.731.183	20.731.183
Book equity per equity certificate*	61,15	60,10	61,15	60,10	62,88
Earnings per equity certificate*	1,73	1,42	3,67	2,69	5,67
Dividend per equity certificate	0,00	0,00	0,00	0,00	5,40
Turnover rate	19,04	13,84	20,37	18,52	14,26
Price	53,85	47,50	53,85	47,50	50,20

* Defined as alternate performance target

** For ownership fraction as at 01.01.2024, see Note K13

For definisjon av nøkkeltall og omtale av alternative resultatmål, se side 36

Quarterly report

The Bank can show significantly increased income compared to the same quarter last year and very good performance in the quarter. The Bank still has low risk in its lending portfolios, and a high CET1 capital ratio, calculated by the standard method, and a high leverage ratio make Sparebanken Øst one of Norway's most solid banks. The Board of Sparebanken Øst has decided to increase the Bank's long-term target return on equity from 9 per cent to 10 per cent. The Board has also adopted a new target for the Bank's leverage ratio, corresponding to a capital margin of at least 2.0 percentage points. The Board has decided to retain the current dividend policy.

Profit for the quarter amounted to NOK 133.5 million, which represents a return on equity of 11.55 per cent. The return on equity is higher than the new long-term return target of 10 per cent. The Bank is very happy with this performance in view of its financial strength and the fact that it uses the standard method for calculating capital weights.

The Bank's net interest income increased by NOK 39.6 million compared to Q2 2023.

In a market characterised by falling credit growth and stiff competition for lending customers, the lending volume in the quarter shows a marginal decrease of 0.35 per cent. Lending growth over the last 12 months is 3.03 per cent, and is on par with credit growth in society (K2) during the same period.

The Bank still has very low losses on lending and a low rate of non-performing commitments. The Bank is very solid, with a CET1 capital ratio of 18.55 per cent (without adding a share of the profit for the year to date).

Results for the quarter in brief

Profit in the quarter amounts to NOK 133.5 million, an increase of NOK 23.3 million from Q2 2023. The return on equity (ROE) ended at 11.55 per cent, compared to 9.59 per cent in Q2 2023. Earnings per equity certificate were NOK 1.73, up from NOK 1.42 in Q2 2023.

The CET1 capital ratio is 18.55 per cent, compared to 19.52 per cent in Q2 2023. The leverage ratio is 8.77 per cent, down from 9.13 per cent in Q2 2023.

Net interest income amounted to NOK 239.8 million, up NOK 39.6 million from Q2 2023. Measured as a percentage of average total assets, net interest income amounts to 2.07 per cent, an increase of 0.27 percentage points from Q2 2023.

Net other operating income amounted to NOK 13.7 million, down by NOK 3.0 million compared with Q2 2023. The profit/loss effect from the Bank's shareholding in Frende is plus NOK 4.8 million, compared with NOK 11.4 million in Q2 2023. Changes in value from other ownership interests were minus NOK 7.2 million, compared to plus NOK 0.9 million in Q2 2023. The value of the liquidity portfolio rose by NOK 3.9 million, compared with a reduction of NOK 2.6 million in Q2 2023. Net commission income amounted to NOK 9.9 million, up NOK 0.9 million from Q2 2023.

Operating costs totalled NOK 77.2 million, up NOK 2.0 million from Q2 2023. Measured as a percentage of income, the Bank has a cost ratio of 30.43 per cent, against 34.64 per cent in Q2 2023.

Losses amount to NOK 2.2 million compared to income of NOK 0.2 million in Q2 2023.

More about the results for the quarter

NET INTEREST INCOME

Higher interest rates, with a key policy rate of 4.50 per cent, produce both increased interest income and higher interest costs for the Bank. Money market rates, based on 3-month NIBOR, have been stable through the quarter and have normalised in relation to the key policy rate. This has helped to stabilise the Bank's wholesale financing costs, and offset the effect of the time lag whereby loans to customers are repriced after a notice period.

Net interest income	Q2 24	Q1 24	Q2 23
Amounts in NOK million			
Loans to & receivables from financial institutions	5,8	3,3	3,6
Lending to customers	600,2	581,4	449,7
Certificates and bonds	79,9	74,1	59,0
Other interest income	1,0	0,8	0,0
Total interest income	686,9	659,6	512,3
Liabilities to financial institutions	1,8	2,0	2,5
Customer deposits	119,7	115,9	66,0
Securities issued	294,0	286,2	222,0
Senior subordinated bonds	21,2	21,2	12,0
Subordinated loan capital	7,1	7,1	5,6
Other interest costs	3,3	3,3	4,1
Total interest costs	447,1	435,6	312,2
Net interest income	239,8	224,0	200,2
Net interest income as a percentage of average total assets	2,07	1,95	1,81

NET OTHER OPERATING INCOME

Net other operating income comprises commission income and expenses, dividends, net value changes and gains/losses on financial instruments, and other income.

Net other operating income amounted to NOK 13.7 million, down by NOK 3.0 million compared with Q2 2023.

Net commission income amounted to NOK 9.9 million, up NOK 0.9 million from Q2 2023

Dividends received total NOK 20.3 million. For comparison, dividends received amounted to NOK 45.7 million in Q2 2023. For both quarters, these mainly relate to dividends received from Frende.

Net value changes and gains/losses on financial instruments amounted to NOK -16.9 million, against NOK -38.5 million from Q2 2023. The value of the Bank's shareholding in Frende decreased by NOK 14.4 million in connection with dividends received. For comparison, the value of the shareholding in Frende fell by NOK 34.2 million in Q2 2023 on

the back of dividends received in Q2 2023. The fall in the value of the Bank's shares in Norwegian Block Exchange AS (NBX) amounted to NOK 2.5 million, against a fall of NOK 5.6 million in Q2 2023. The value of the Bank's shares in Kraft Bank fell by NOK 1.0 million, against a rise of NOK 1.7 million in Q2 2023. Negative value adjustments related to shares and equity rights in Visa Inc. totalled NOK 3.7 million, compared with an increase of NOK 4.8 million in Q2 2023. The value of the liquidity portfolio rose by NOK 3.9 million, compared with a reduction of NOK 2.6 million in Q2 2023. The positive profit/loss effects from foreign exchange, derivatives and fixed rate loans at fair value amounted to NOK 1.5 million. The corresponding profit/loss effects came to minus NOK 2.4 million in Q2 2023. The profit/loss effect from buying back debt issued by the Bank was plus NOK 0.6 million, compared to minus NOK 0.2 million in Q2 2023.

Net other operating income

Amounts in NOK million	Q2 24	Q1 24	Q2 23
Net commission income	9,9	9,1	9,0
Dividend	20,3	64,0	45,7
Net value change and gains/losses on certificates and bonds*	3,9	-4,4	-14,9
Net value change and gains/losses on shares	-21,6	-16,7	-33,2
Net value change and gains/losses on fixed-interest loans	0,6	-2,0	-5,1
Net value change and gains/losses on other financial instruments	0,2	7,8	14,8
Other operating income	0,4	0,4	0,6
Net other operating income	13,7	58,3	16,7

*excluding profit/loss effect of financial derivatives entered into for the purpose of financial interest rate hedging in the liquidity portfolio

OPERATING COSTS

Operating costs totalled NOK 77.2 million, up NOK 2.0 million from Q2 2023. Measured as a percentage of revenue, the cost ratio is 30.43 per cent, down from 34.64 per cent in Q2 2023.

Salaries and other personnel costs amount to NOK 38.3 million and are at the same level as in Q2 2023.

Other operating costs totalled NOK 32.1 million, up NOK 2.0 million from Q2 2023. The increase is mainly due to increased costs for legal services.

Operating costs

Amounts in NOK million	Q2 24	Q1 24	Q2 23
Salaries and other personnel costs	38,3	51,5	38,3
Depreciation/impairment of tangible and intangible assets	6,8	6,9	7,3
Other operating costs	32,1	38,5	29,6
Total operating costs	77,2	96,9	75,1
Costs as a % of average total assets	30,4	34,3	34,6
Costs as a percentage of average total assets	0,67	0,85	0,68

IMPAIRMENTS AND NON-PERFORMING COMMITMENTS

Losses on loans, unused credits and guarantees amounted to NOK 2.2 million, of which changes in model-based loan loss provisions produced income of NOK 0.3 million. For

comparison, losses amounted to income of NOK 0.2 million in Q2 2023, of which changes in model-based loan loss provisions gave rise to income to NOK 0.9 million.

Loss costs

Amounts in NOK million	Q2 24	Q1 24	Q2 23
Lending to retail customers of the parent and mortgage credit company	0,0	0,7	-1,0
Lending to business customers	0,1	0,0	-0,5
Lending at AS Financiering	2,6	2,0	1,1
Unused credit and guarantees	-0,6	0,1	0,3
Total loss costs	2,2	2,8	-0,2
Losses as a percentage of net lending to customers (OB)	0,02	0,03	0,00

Total loan loss provisions amount to NOK 111.7 million, equivalent to 0.29 per cent of gross lending to customers. For comparison, total loan loss provisions amounted to NOK 108.6 million at the end of Q2 2023, equivalent to 0.29 per cent of gross lending to customers. Individually assessed loan loss provisions amounted to NOK 84.8 million, compared with NOK 82.2 million at the end of Q2 2023. Most of the Bank's loan loss provisions are related to AS Financiering.

Loan loss provisions

Amounts in NOK million	Q2 24	Q1 24	Q2 23
Lending to retail customers of the parent and mortgage credit company	15,2	15,1	17,0
Lending to business customers	6,2	6,5	4,2
Lending at AS Financiering	89,3	87,8	85,9
Unused credit and guarantees	1,1	1,7	1,5
Total loan loss provisions	111,7	111,1	108,6
Loan loss provisions as a percentage of gross lending to customers	0,29	0,29	0,29

Net non-performing commitments are low, at NOK 191.6 million or 0.50 per cent of net lending to customers. For comparison, net non-performing commitments amounted to NOK 146.7 million, corresponding to 0.39 per cent of net lending to customers at the end of Q2 2023.

Non-performing commitments

Amounts in NOK million	Q2 24	Q1 24	Q2 23
Lending to retail customers of the parent and mortgage credit company	83,3	84,2	46,4
Business customers	18,8	25,1	16,3
AS Financiering	175,9	168,6	168,0
Total gross non-performing commitments	278,0	277,8	230,6
Loan loss provisions for non-performing commitments.	86,4	85,5	83,9
Net non-performing commitments	191,6	192,4	146,7
Net non-performing commitments as a percentage of net lending	0,50	0,50	0,39

INCOME TAX

Income tax stands at NOK 40.7 million, equal to 23.4 per cent of the profit before tax. For comparison, income tax totalled NOK 31.8 million, or 22.4 per cent of pre-tax profit, in Q2 2023.

Profit for the first half-year

Profit for the first half-year was NOK 282.0 million, an increase of NOK 73.8 million from the first half of 2023. The return on equity was 12.45 per cent compared with 9.23 per cent for the first half of 2023. Earnings per equity certificate were NOK 3.67, up from NOK 2.69 in the first half of 2023.

NET INTEREST INCOME

Net interest income amounted to NOK 463.7 million, up NOK 65.0 million from the first half of 2023. Net interest income as a percentage of average total assets is 2.02 per cent, an increase of by 0.21 percentage points compared to the first half of 2023.

Net interest income

Amounts in NOK million	YtD. Q2 24	Ytd. Q2 23
Loans to & receivables from financial institutions	9,1	7,1
Lending to customers	1.181,6	873,8
Certificates and bonds	154,0	117,1
Other interest income	1,7	0,0
Total interest income	1.346,5	998,0
Liabilities to financial institutions	3,8	5,2
Customer deposits	235,6	125,6
Securities issued	580,2	427,7
Senior subordinated bonds	42,4	21,6
Subordinated loan capital	14,1	11,0
Other interest costs	6,6	8,1
Total interest costs	882,7	599,2
Net interest income	463,7	398,8
Net interest income as a percentage of average total assets	2,02	1,81

NET OTHER OPERATING INCOME

Net commission income amounted to NOK 19.0 million, down NOK 5.5 million from the first half of 2023. The reduction is mainly due to a reduction in the profitability bonus from Frende.

Dividends received amounted to NOK 84.3 million, of which NOK 64.0 million related to dividends received from Eksportfinans. Dividends can be broken down into NOK 15.5 million in ordinary dividends for 2023 and NOK 48.5 million from an extraordinary distribution of retained earnings from previous years. Dividends from Frende total NOK 19.2 million. In the same period in of 2023, dividends received amounted to NOK 45.7 million, of which dividends from Frende accounted for NOK 45.6 million.

Net value changes and gains/losses on financial instruments amounted to NOK -32.1 million, against NOK -36.9 million in the first half of 2023. The value of the liquidity portfolio rose by NOK 6.9 million, compared with a reduction of NOK 11.5 million in the first half of 2023. The rise in value of the Bank's shares in Norwegian Block Exchange AS (NBX) amounted to NOK 0.4 million. For comparison, the value of the shareholding in NBX fell by NOK 5.0 million in the first half of 2023. The value of the Bank's shares in Kraft Bank fell by NOK 0.4 million, against a fall of NOK 1.7 million in the first half of 2023. Positive value changes related to shares and options in Visa Inc. amounted to NOK 4.2 million compared with an increase of NOK 10.7 million in the first half of 2023. The fall in the value of the Bank's shareholding in Frende amounts to NOK 9.6 million, and must be viewed in conjunction with dividends received for 2023. For comparison, there was a decrease of NOK 22.8 million in the first half of 2023, and the change has to be seen in the context of dividends received for 2022. The value of the Bank's shareholding in Eksportfinans fell by NOK 32.9 million. The value adjustment has been implemented by way of an extraordinary dividend distribution. The negative profit/loss effects from foreign exchange, derivatives and fixed rate loans at fair value amounted to NOK 0.3 million. Similar profit/loss effects were negative, at NOK -4.6 million in the first half of 2023. The cost of buying back the Bank's own issued debt amounted to NOK 0.4 million, compared with NOK 2.0 million in the first half of 2023.

Other operating income amounted to NOK 0.8 million, down NOK 0.3 million from the first half of 2023.

Net other operating income

Amounts in NOK million	YtD. Q2 24	Ytd. Q2 23
Net commission income	19,0	24,6
Dividend	84,3	45,7
Net value change and gains/losses on certificates and bonds*	-0,4	-21,3
Net value change and gains/losses on shares	-38,3	-18,8
Net value change and gains/losses on fixed-interest loans	-1,4	-4,8
Net value change and gains/losses on other financial instruments	8,0	8,1
Other operating income	0,8	1,1
Net other operating income	72,0	34,4

*excluding profit/loss effect of financial derivatives entered into for the purpose of financial interest rate hedging in the liquidity portfolio

OPERATING COSTS

Other operating costs amounted to NOK 174.1 million, up NOK 9.9 million compared with the first half of 2023. Measured as a percentage of income, costs were reduced to 32.5 per cent, compared with 37.9 per cent in the first half of 2023.

Salaries and personnel costs amounted to NOK 89.8 million, up by NOK 2.6 million compared with the first half of 2023.

Other operating costs amount to NOK 70.6 million, an increase of NOK 7.9 million. The increase can be mainly

attributed to increased IT costs, as well as increased costs for legal services.

Operating costs

Amounts in NOK million	YtD. Q2 24	Ytd. Q2 23
Salaries and other personnel costs	89,8	87,2
Depreciation/impairment of tangible and intangible assets	13,7	14,3
Other operating costs	70,6	62,7
Total operating costs	174,1	164,2
Costs as a % of average total assets	32,5	37,9
Costs as a percentage of average total assets	0,76	0,75

IMPAIRMENTS AND NON-PERFORMING COMMITMENTS

Losses on loans, unused credits and guarantees amounted to NOK 4.9 million, of which changes in model-based losses amounted to NOK 0.7 million. By comparison, losses amounted to NOK 1.5 million in the first half of 2023, of which changes in model-based loan loss provisions gave rise to a cost of NOK 1.0 million.

Loss costs

Amounts in NOK million	YtD. Q2 24	Ytd. Q2 23
Lending to retail customers of the parent and mortgage credit company	0,7	-1,3
Lending to business customers	0,1	-0,1
Lending at AS Financiering	4,6	2,7
Unused credit and guarantees	-0,5	0,2
Total loss costs	4,9	1,5
Losses as a percentage of net lending to customers (OB)	0,03	0,01

INCOME TAX

Income tax stands at NOK 74.7 million, equal to 21.0 per cent of the profit before tax.

Main items on the balance sheet

Total assets amounted to NOK 46.2 billion at the end of the quarter.

LENDING TO CUSTOMERS

Net lending to customers totalled NOK 38.4 billion, down NOK 0.1 billion or 0.3 per cent in the quarter. There was an increase of NOK 1.1 billion, or 3.03 per cent, in the past 12 months.

Loans to retail customers amounted to NOK 34.5 billion, down 0.3 per cent in the quarter but up 3.0 per cent in the last 12 months. Loans to business customers amounted to NOK 3.9 billion, down 1.0 per cent in the quarter but up 3.3 per cent in the last 12 months.

DEPOSITS FROM CUSTOMERS

Deposits from customers totalled NOK 16.5 billion, up NOK 0.6 billion, or 3.6 per cent, in the quarter. There was an increase of

NOK 1.0 billion, or 6.6 per cent, in the past 12 months. The deposit-to-loan ratio is 43.1 per cent. Deposits from retail customers amount to NOK 10.4 billion and deposits from business customers amount to NOK 6.1 billion.

LIQUIDITY AND FINANCING

The bank takes a conservative approach to liquidity risk and exercises proper liquidity management so that the Group has sufficient liquid assets to cover its obligations upon maturity at all times. The Bank must be able to run normal operations for a period of at least 12 months without access to external financing. The Bank takes on credit risk through the management of liquidity reserves and excess liquidity. The Bank intends to retain interest-bearing securities with low credit risk for liquidity purposes (reserve for disposal when needed) and as a deposit basis for borrowing facilities at the central bank. The Bank's liquidity risk is monitored continuously, and updated overviews of the Bank's total counterparty risk are available.

Holdings of certificates and bonds totalled NOK 6.1 billion, an increase of NOK 0.6 billion in the past 12 months.

The short-term liquidity target measured by LCR is above the Bank's agreed limit of 102 per cent and amounts to 249.7 per cent, against 279.0 per cent at the end of Q2 2023. The composition of the Bank's balance sheet, and its liquidity strategy, entail a high proportion of securities that count towards the LCR calculation, and in periods when little wholesale funding falls due, the Group will have a high reported LCR.

Securities issued totalled NOK 21.7 billion, an increase of NOK 0.3 billion in the past 12 months. The Bank also has senior non-preferred debt (SNP) with a nominal value of NOK 1.5 billion, an increase of NOK 0.3 billion over the past 12 months. The Bank considers its access to wholesale financing to be good.

The degree of stable and long-term financing measured by NSFR is 134.5 per cent, compared with 126.1 per cent at the end of Q2 2023. The average term to maturity for wholesale financing was 3.3 years, unchanged from the end of Q2 2023. Short-term borrowing (defined as borrowing with a remaining term to maturity of less than 1 year) amounted to NOK 3.0 billion at the end of the quarter.

FRENDE FORSIKRING

The Bank owns 13.25 per cent of Frende Holding AS (Frende), which itself owns Frende Skade AS and Frende Liv AS (Frende Forsikring). As the Bank's stake in Frende is below 20 per cent, the shareholding is measured at fair value with changes of value and dividends received recognised through profit or loss. To show the added value to the Bank from Frende through the year, the shareholding is revalued each quarter. The Bank received dividend income from Frende of NOK 19.2 million in the second quarter and has therefore posted a reduction of NOK 14.4 million, so the net profit/loss effect is plus NOK 4.8 million in the second quarter. The Bank's shareholding in Frende was valued at NOK 454.4 million at the end of the quarter, corresponding to NOK 507.3 per share.

MISC. OWNERSHIP INTERESTS IN OTHER COMPANIES

The Bank owns 4.85 per cent of the shares in Eksportfinans ASA, and the shareholding is valued at NOK 162.1 million.

The Bank's stake in Vipps Holding AS is 0.72 per cent, and the shareholding is valued at NOK 64.4 million. Vipps Holding AS owns 72.22 per cent of the shares in Vipps Mobilepay AS and 100 per cent of the shares in BankID BankAxept AS.

The Bank owns 'C' shares in Visa Inc. The shareholding is valued at NOK 54.2 million. The Bank also has rights to shares in Visa Inc. owned via VN Norge Forvaltning AS and VN Norge AS. The rights are valued at NOK 11.1 million.

The Bank owns 6.85 per cent of the shares in Kraft Bank ASA. Kraft Bank is listed on Euronext Growth Oslo and the Bank's shareholding is valued at NOK 23.7 million.

The Bank owns 4.99 per cent of the shares in Norwegian Block Exchange AS (NBX). NBX is listed on Euronext Growth Oslo and the Bank's shareholding is valued at NOK 4.8 million.

Capital adequacy

The CET1 capital ratio amounted to 18.55 per cent (excl. share of profits for the year to date) at the end of the quarter, a decrease from 19.52 per cent at the end of Q2 2023.

The current Pillar 2 requirement for Sparebanken Øst is 1.1 per cent, of which at least 56.25 per cent has to be covered by CET1 capital and at least 75 per cent by Tier 1 capital. This requirement took effect on 30 September 2023. The requirement for a systemic risk buffer for banks using the standard method is 4.5 per cent. Given the current capital requirements, this entails a total CET1 capital requirement of at least 14.62 per cent at the end of the quarter. If we add the Financial Supervisory Authority of Norway's expectation of a solvency capital margin of at least 1.0 per cent, there is a total regulatory requirement of at least 15.62 per cent.

The capital target for Sparebanken Øst is expressed as follows: The Sparebanken Øst Group should have capital adequacy at least equal to the regulatory requirement plus a capital margin of 1.0 percentage point. Based on current regulatory requirements at the end of the quarter, the capital adequacy target is a minimum of 19.60 per cent. The minimum CET1 capital ratio is then 15.62 per cent.

Net subordinated loan capital at the end of the quarter amounted to NOK 4.6 billion, of which the Group's Tier 1 capital accounted for NOK 4.2 billion. With a calculation basis of NOK 20.5 million, this corresponds to a capital adequacy ratio of 22.20 per cent, of which 20.25 per cent constitutes the Tier 1 capital ratio. The leverage ratio was 8.77 per cent at the end of the quarter, a decrease from 9.13 per cent at the end of Q2 2023. The current official leverage ratio requirement is 3.0 per cent. The target leverage ratio adopted by the Bank can be expressed as follows: To maintain its leverage ratio, Sparebanken Øst has to have a capital margin of at least 2.0 percentage points.

Capital level	Q2 24	Q1 24	Q2 23
CET1 capital ratio	18,55	18,35	19,52
Tier 1 capital ratio	20,25	20,04	21,31
Capital adequacy	22,20	21,98	23,36
Leverage ratio	8,77	8,62	9,13

* Reported capital level excl. share of interim profit

MREL

Sparebanken Øst is one of the Norwegian banks designated by the Financial Supervisory Authority for support in financial crises, with the aim of ensuring financial stability. Section 20-9(1) of the Financial Institutions Act states that such institutions "shall at all times meet a minimum requirement on the sum of own funds and eligible liabilities" (MREL). For Sparebanken Øst, the FSA has defined an MREL requirement, effective from 1 January 2024, whereby effective MREL is set at 34.7 per cent of an adjusted basis for calculation, with a further requirement that 27.7 per cent of the adjusted basis for calculation should consist of subordinated debt. At the end of the quarter, Sparebanken Øst's actual MREL was 49.5 per cent, while the proportion of subordinated debt was 33.8 per cent.

Reduced differentiation in the treatment of banks

Sparebanken Øst uses the standard method to calculate its capital requirements, which according to the current regulations means that loans with the same risk are subject to far higher risk weights when compared to banks that use risk weights based on IRB models. The result of this is that, with its capital requirements, Sparebanken Øst holds far more equity for its lending than banks that are able to use IRB models for all or parts of their lending portfolios. The end of the Basel 1 floor for Norwegian IRB banks from 31 December 2019 altered the competitive situation in the Norwegian market to a significant degree and has also left its mark on profit performance.

Sparebanken Øst uses risk weights of 35 per cent on residential mortgages with an LTV ratio of 80 per cent or less, while banks that deploy IRB models have risk weights of around 21 per cent. In the case of loans for commercial properties, the Bank uses risk weights from 100 per cent, while banks that use IRB models have risk weights of around 40 per cent.

A new and more risk-sensitive standard method for calculating capital requirements for credit risk (Basel 4) was adopted by the European Parliament on 24 April 2024. The Regulation (CRR3) will enter into force in the EU on 1 January 2025, while the implementation deadline for the Directive (CRD6) is 18 months after publication in the Official Journal. On 5 June 2024, the Ministry of Finance submitted a consultation note from the Financial Supervisory Authority on proposed amendments to the Capital Requirements Regulation (CRR3). The consultation deadline is set for 4 September 2024. The Ministry's intention is that the new standard method and the

other amendments to CRR3 should take effect in Norway at the same time as in the EU, i.e. from 1 January 2025.

Based on preliminary assessments, the Bank expects the new and more risk-sensitive standard method (Basel 4) to provide it with improved competitive conditions with lower capital needs in Pillar 1. It is expected that the current differential treatment of banks using the standard method, compared to banks that can use IRB models for all or part of their loan portfolios, will be reduced. However, banks like Sparebanken Øst are expected to remain at a competitive disadvantage as a result of differential treatment. Sparebanken Øst is working to ensure that the framework conditions for Norwegian banks are better aligned so the banks can compete on level terms.

Subsidiaries

All subsidiaries are 100 per cent owned by Sparebanken Øst and are included in the bank's consolidated financial statements.

Sparebanken Øst Boligkreditt AS is licensed as a credit institution with the right to issue covered bonds. Through this market, the mortgage credit company is a very important participant in securing favourable wholesale financing for the Group. At the end of Q2, the company had total assets of NOK 19.9 billion, consisting mainly of first priority mortgages on homes financed through covered bonds and drawing rights from the parent bank. The company has a low LTV ratio in the cover pool. The LTV ratio at the end of the first half-year was 46.7 per cent. By way of comparison, the LTV ratio was 46.9 per cent at the end of the first half of 2023. The company posted a profit of NOK 59.4 million for the first half-year compared with NOK 43.3 million for the first half of 2023. The company has no employees, but sources services from Sparebanken Øst.

AS Financiering's main product is secured loan financing for used cars. At the end of the first half-year, the company had total assets of NOK 2.8 billion. The company posted a profit of NOK 28.4 million for the first half-year compared with NOK 22.5 million for the first half of 2023. The company has 16 employees, corresponding to 16 FTEs.

Sparebanken Øst Eiendom AS manages properties belonging to the Bank. The company's operating income amounted to NOK 3.2 million for the first half-year compared with NOK 3.1 million for the first half of 2023. The company posted a profit of NOK 1.3 million for the first half-year compared with NOK 0.9 million for the first half of 2023. The company has 1.2 employees, corresponding to 1.2 FTEs.

Øst Prosjekt AS's main purpose is to take over projects and to undertake industrial and commercial activities to hedge and realise exposed positions in the parent bank. The company posted a deficit of NOK 0.2 million for the first half-year, compared with a deficit of NOK 0.4 million for the first half of 2023.

Accounting policies

The interim financial statements are prepared in accordance with IFRS Accounting Standards as approved by the EU (including IAS 34 Interim Financial Reporting). The interim financial statements have not been audited. Please see Note 1 for more details.

Dividend policy

The Board has reviewed the Bank's dividend policy in light of its financial strength and risk tolerance. New rules for calculating capital for standard method banks from 1 January 2025 have been taken into account, and the Board has decided that a continuation of the current dividend policies is reasonable.

Sparebanken Øst's financial targets for our operations are to achieve results that provide a good and stable return on the Bank's equity and create value for equity certificate holders with competitive returns in the form of dividends and equity certificate appreciation. We will strive to ensure that our dividend policy results in a stable ownership fraction over time.

The profit for the year will be divided between equity certificate holders and social capital in accordance with their respective shares of the Bank's equity.

We will aim to ensure that up to 100 per cent of the profits allocated to equity certificate holders are paid as dividends over the next few years, while retaining up to 50 per cent of the profits allocated to equity certificate holders to be paid as dividends in the longer term.

We also aim to distribute dividends on the Bank's primary capital in the form of gifts to charity, the donations fund and/or charitable foundations, up to 100 per cent of the profits allocated to primary capital over the next few years, while retaining up to 50 per cent of the profits allocated to primary capital to be distributed as dividends on the Bank's primary capital in the form of gifts to charity, the donations fund and/or charitable foundations in the longer term.

When the dividend is set, due consideration will be taken of the Bank's financial performance, market situation, dividend stability and need for Tier 1 capital.

Target for return on equity (ROE)

The Board of Sparebanken Øst has adopted a new return target from 2024 onwards. The return target has increased from 9 per cent to 10 per cent over time.

Given the expected changes in the regulatory framework for standard method banks, the Board believes that a return of 10 per cent for the next few years represents a realistic target for Sparebanken Øst.

The macro situation

The macroeconomic situation in Norway has been relatively unchanged since Q1 2024 and growth in the economy has been modest since mid-2022. High inflation and multiple interest rate hikes from Norges Bank have led to reduced demand in the Norwegian economy. Inflation has decreased significantly and the consumer price index was 3 per cent (CPI) in the period May 2023 to May 2024. Core inflation (CPI-ATE) was 4.1 per cent during the same period. This is a 50% drop from the peak in 2022. The Norwegian krone strengthened slightly in Q2 2024, but is still around 5 per cent down against the US dollar since the beginning of the year. Norges Bank has kept the key policy rate unchanged at 4.5 per cent so far in 2024. The money markets have been very stable in 2024.

Unemployment is continuing to rise in 2024, and is now close to the average for the 2010s. Statistics Norway's workforce survey for May shows an unemployment rate of 4.1 per cent, which is an increase of 0.3 percentage points since the start of the year. This is low compared to e.g. the EU at about 6% and Sweden at over 8%. A relatively tight labour market, weak growth in productivity and a weak krone compared to our main trading partners are factors that may make it harder to bring inflation down to the target of 2 per cent. This could result in interest rates being kept higher for a longer period of time.

Economic growth in Norway's trading partners is relatively weak, but with signs of a cautious upturn within the EU and in the US in the future. The conflicts in the Middle East and the war in Ukraine have not so far spread to neighbouring countries and oil prices are relatively stable. This is good for the Norwegian and the international economy.

Housing investments in Norway fell by 21 per cent in 2023 and have fallen further in 2024, to be almost 30 per cent down from two years ago. House prices increased in the first half of 2024 by 8 per cent, with all regions recording increases of over 5 per cent. Statistics Norway expects house prices to be around 14 per cent higher in 2027 than they were in 2023. Reduced housing investments also reduce the demand for mortgages. Household credit growth was 3.1 percent in May 2024. Before the pandemic, this growth was close to 6 per cent.

Future prospects

Sparebanken Øst has an overall financial target for its return on equity of 10 per cent over time. Several factors affect this target figure.

- New capital requirement rules (Basel 4) give small and medium-sized banks (standard method banks) increased competitiveness and improved capital efficiency compared to banks that use the IRB method. The Ministry of Finance has launched a consultation on the new rules, with a deadline of 4 September 2024.

- Significant attention to profitable and sustainable growth in lending to customers. Such growth may vary over time with changes in e.g. market conditions and demand.
- Efficient banking operations with a strong emphasis on innovation and cost control are crucial.
- A strong culture of risk management and internal control has been established.

There are a number of risks and uncertainties related to banking. However, the Bank has a very solid capital base with significant loss-absorbing capacity and a robust business model.

- Loans to private individuals secured against residential property account for close to 90 per cent of total lending in the Bank. Negative developments in the Norwegian economy can impact on the ability of households to service these loans. However, relatively low loan-to-value ratios have a significant risk-reducing effect.
- Loans to companies are made within the Bank's primary market area with the main focus on loans secured against real property. A conservative attitude towards return requirements (yield) and a strong emphasis on long-term repayment capacity contribute to the robustness of the portfolio.
- Macroeconomic conditions may lead to changes in financial prices (spread), which will in turn affect the market value of the bank's liquidity portfolio. Market conditions can affect the value of the Bank's holdings of financial instruments and strategic shareholdings.
- Persistently high general price and wage growth and increased costs to cover operations, investment in technology and regulatory requirements could adversely affect the Bank's costs over time.
- Regulatory uncertainty related to the capital structure in the savings bank sector is under review by the Sparebank Committee established by the Ministry of Finance. The Committee is expected to submit its findings in the autumn of 2024. The capital situation and dividend capacity of the banks may be affected by the Committee's conclusions.

The Board assumes that Sparebanken Øst will continue to operate as an autonomous and independent savings bank going forward. The Board considers that the Bank's location in the eastern part of southern Norway provides unique access to a large and growing market in the short and long term, as well as broad access to the necessary expertise to operate and develop the Bank in the future. The Board recognises that geopolitical conditions are creating increased uncertainty around future economic developments in Norway and around the world than we saw before the pandemic. Sparebanken Øst

is well equipped to face this uncertainty. The Board's overall assessment of risk and capital requirements indicates that the Bank has both dividend capacity and scope for lending growth going forward.

Hokksund, 30 June 2024

Drammen, 11 July 2024

Øivind Andersson
Chair

Cecilie Hagby
Deputy Chair

Lina Andal Sørby
Board member

Jorund Rønning Indrelid
Board member

Arne K. Stokke
Board member

Ole B. Hoen
Board member

Håvard Saastad
Employee representative

Sissel Album Fjeld
Employee representative

Pål Strand
CEO

Income Statement – Group

(Amounts in NOK million)	Note	Q2 2024	Q2 2023	01.01-30.06.2024	01.01-30.06.2023	Full year 2023
Interest income from assets valued at amortised cost		604,6	451,2	1.187,8	876,7	1.962,2
Interest income from assets valued at fair value		82,3	61,1	158,7	121,4	282,7
Interest costs		447,1	312,2	882,7	599,2	1.416,1
Net interest income	7	239,8	200,2	463,7	398,8	828,8
Commission income and income from banking services		22,4	20,7	43,3	47,9	90,9
Commission costs and costs for banking services		12,4	11,7	24,3	23,3	47,6
Dividend		20,3	45,7	84,3	45,7	45,9
Net value changes and gains/losses on financial instruments	8	-16,9	-38,5	-32,1	-36,9	-3,3
Other operating income		0,4	0,6	0,8	1,1	2,0
Net other operating income		13,7	16,7	72,0	34,4	88,0
Salaries and other personnel costs		38,3	38,3	89,8	87,2	194,7
Depreciation/impairment of tangible and intangible assets		6,8	7,3	13,7	14,3	29,0
Other operating costs		32,1	29,6	70,6	62,7	122,3
Total operating costs	9	77,2	75,1	174,1	164,2	345,9
Profit before losses		176,4	141,8	361,7	269,0	570,9
Losses on loans, unused credit and guarantees	5	2,2	-0,2	4,9	1,5	6,7
Profit/loss before tax		174,2	142,0	356,8	267,6	564,2
Income tax		40,7	31,8	74,7	59,4	123,7
Profit/loss after tax		133,5	110,2	282,0	208,2	440,6
Hybrid capital owners' share of the result		8,0	7,2	15,6	13,2	29,3
Equity certificate holders' and primary capital share of profits		125,5	103,0	266,4	195,0	411,3
Profit/loss after tax		133,5	110,2	282,0	208,2	440,6
Earnings per equity certificate		1,73	1,42	3,67	2,69	5,67
Diluted earnings per equity certificate		1,73	1,42	3,67	2,69	5,67

Comprehensive income – Group

(Amounts in NOK million)	Note	2. kvartal 2024	2. kvartal 2023	1.1.-30.6.2024	1.1.-30.6.2023	Året 2023
Profit/loss after tax		133,5	110,2	282,0	208,2	440,6
Items that will not be reclassified to the income statement						
Actuarial gains and losses on defined-benefit plans		0,0	0,0	0,0	0,0	-20,3
Tax related to items that cannot be reclassified		0,0	0,0	0,0	0,0	5,1
Comprehensive income		133,5	110,2	282,0	208,2	425,4

Balance Sheet – Group

(Amounts in NOK million)	Note	30.06.2024	30.06.2023	31.12.2023
Assets				
Cash and receivables from central banks	10	613,6	437,8	417,3
Loans to and receivables from financial institutions	10	18,8	13,1	16,5
Lending to customers	2,5,10,11	38.402,7	37.274,5	37.877,1
Certificates and bonds	10,11	6.055,5	5.485,3	5.914,0
Financial derivatives	10,11	43,5	24,6	67,6
Shares and units	10,11	779,4	777,2	809,6
Intangible assets		29,5	33,7	33,0
Investment properties		13,0	13,2	13,1
Tangible fixed assets		121,4	123,0	122,8
Lease rights		37,5	42,1	40,2
Other assets		130,8	192,1	67,4
Total assets		46.245,5	44.416,5	45.378,6
Liabilities and equity				
Liabilities to financial institutions	10	192,1	246,7	219,6
Customer deposits	2,10	16.544,1	15.521,7	15.860,8
Securities issued	10,12	21.707,9	21.420,8	21.658,5
Financial derivatives	10,11	186,6	240,5	147,4
Other liabilities		698,8	449,7	433,8
Pension liabilities		60,2	52,7	60,2
Tax payable		76,3	55,7	126,7
Deferred tax		4,5	1,5	4,5
Provisions, unused credit and guarantees		1,1	1,5	1,5
Lease liabilities	10	38,8	43,3	41,5
Senior subordinated bonds	10,12	1.501,6	1.199,2	1.508,2
Subordinated loan capital	10,12	402,4	400,9	402,4
Total liabilities		41.414,6	39.634,2	40.465,0
Paid-up equity		595,1	595,1	595,1
Hybrid capital		396,2	423,4	353,7
Retained earnings		3.839,7	3.763,8	3.964,8
Total equity		4.831,0	4.782,2	4.913,6
Total liabilities and equity		46.245,5	44.416,5	45.378,6

Changes in equity - Group

(Amounts in NOK millions)	Paid-up equity		Hybrid capital			Retained earnings				
	Total equity	Equity certificates	Share premium reserve	Additional Tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for		
								unrealised gains	Other equity	Retained earnings
30.06.2024										
Equity at 31.12.2023	4.913,6	207,3	387,8	353,7	473,0	2.630,3	38,1	399,7	423,8	0,0
Ordinary profit	282,0	0,0	0,0	15,6	0,0	0,0	0,0	0,0	0,0	266,4
Comprehensive income	282,0	0,0	0,0	15,6	0,0	0,0	0,0	0,0	0,0	266,4
Dividend to equity certificate holders 2023 – adopted	-111,9	0,0	0,0	0,0	-111,9	0,0	0,0	0,0	0,0	0,0
Grants for good causes 2023 – adopted	-279,6	0,0	0,0	0,0	0,0	-279,6	0,0	0,0	0,0	0,0
Interest paid on hybrid capital	-16,8	0,0	0,0	-16,8	0,0	0,0	0,0	0,0	0,0	0,0
Issue of new hybrid capital	150,0	0,0	0,0	150,0	0,0	0,0	0,0	0,0	0,0	0,0
Hybrid capital redemption	-106,2	0,0	0,0	-106,2	0,0	0,0	0,0	0,0	0,0	0,0
Equity at 30.06.2024	4.831,0	207,3	387,8	396,2	361,1	2.350,7	38,1	399,7	423,8	266,4

(Amounts in NOK millions)	Paid-up equity		Hybrid capital			Retained earnings				
	Total equity	Equity certificates	Share premium reserve	Additional Tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for		
								unrealised gains	Other equity	Retained earnings
30.06.2023										
Equity at 31.12.2022	4.792,3	207,3	387,8	352,9	443,0	2.555,3	38,1	397,3	410,7	0,0
Ordinary profit	208,2	0,0	0,0	13,2	0,0	0,0	0,0	0,0	0,0	195,0
Comprehensive income	208,2	0,0	0,0	13,2	0,0	0,0	0,0	0,0	0,0	195,0
Dividend to equity certificate holders 2022 – adopted	-78,8	0,0	0,0	0,0	-78,8	0,0	0,0	0,0	0,0	0,0
Grants for good causes 2022 – adopted	-196,8	0,0	0,0	0,0	0,0	-196,8	0,0	0,0	0,0	0,0
Interest paid on hybrid capital	-12,0	0,0	0,0	-12,0	0,0	0,0	0,0	0,0	0,0	0,0
Issue of new hybrid capital	200,0	0,0	0,0	200,0	0,0	0,0	0,0	0,0	0,0	0,0
Hybrid capital redemption	-130,7	0,0	0,0	-130,7	0,0	0,0	0,0	0,0	0,0	0,0
Equity at 30.06.2023	4.782,2	207,3	387,8	423,4	364,2	2.358,5	38,1	397,3	410,7	195,0

(Amounts in NOK millions)	Paid-up equity		Hybrid capital			Retained earnings				
	Total equity	Equity certificates	Share premium reserve	Additional Tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for		
								unrealised gains	Other equity	Retained earnings
31.12.2023										
Equity at 31.12.2022	4.792,3	207,3	387,8	352,9	443,0	2.555,3	38,1	397,3	410,7	0,0
Ordinary profit	440,6	0,0	0,0	29,3	112,9	282,1	0,0	2,4	13,9	
Actuarial gains and losses on defined-benefit plans	-15,2	0,0	0,0	0,0	-4,1	-10,3	0,0	0,0	-0,8	
Comprehensive income	425,4	0,0	0,0	29,3	108,8	271,8	0,0	2,4	13,1	
Dividend to equity certificate holders 2022 – adopted	-78,8	0,0	0,0	0,0	-78,8	0,0	0,0	0,0	0,0	
Grants for good causes 2022 – adopted	-196,8	0,0	0,0	0,0	0,0	-196,8	0,0	0,0	0,0	
Interest paid on hybrid capital	-27,8	0,0	0,0	-27,8	0,0	0,0	0,0	0,0	0,0	
Issue of new hybrid capital	200,0	0,0	0,0	200,0	0,0	0,0	0,0	0,0	0,0	
Hybrid capital redemption	-200,7	0,0	0,0	-200,7	0,0	0,0	0,0	0,0	0,0	
Equity at 31.12.2023	4.913,6	207,3	387,8	353,7	473,0	2.630,3	38,1	399,7	423,8	

Cash Flow Statement – Group

(Amounts in NOK millions)		30.06.2024	30.06.2023	31.12.2023
Operating activities				
Profit/loss before income tax		356,8	267,6	564,2
Adjusted for:				
Change in net interest income earned and accrued interest costs		200,5	105,3	12,1
Net receipts/disbursements of loans to customers		-526,8	-463,0	-1.043,5
Change in certificates and bonds		-135,8	155,3	-264,9
Value adjustment, shares and units		38,3	18,8	-19,8
Net change in financial derivatives (net assets and liabilities)		-7,7	-8,9	40,3
Net change in other assets		-63,3	-99,1	36,5
Net receipts/disbursement of deposits from customers		509,2	-338,0	93,2
Net change in other debt		-19,8	10,0	-23,8
Depreciation/write-downs of tangible fixed assets and lease rights		13,7	14,3	29,0
Write-downs of financial assets		2,3	-4,8	-3,5
Amortisation of financing activities measured at amortised cost		-7,8	-8,3	-16,5
Net gain/loss from investing activities		-0,1	0,0	-0,1
Net gain/loss from financing activities		0,4	2,0	2,2
Taxes paid for the period		-125,2	-93,9	-89,8
Net cash flow from operating activities	A	234,7	-442,7	-684,4
Investing activities				
Payments on purchases of tangible fixed assets		-2,3	-8,4	-12,6
Receipts from sale of fixed assets		0,2	0,4	0,9
Payments on the purchase of intangible assets		-1,5	-5,2	-10,2
Payments on purchases of financial investments		-8,1	0,0	6,2
Proceeds from sales of financial investments		0,0	0,0	0,0
Net cash flow from investing activities	B	-11,8	-13,2	-15,7
Financing activities				
Net receipts/disbursements for loans to/from financial institutions		-27,3	-27,3	-54,5
Payments on repayment of securities		-3.209,4	-2.090,1	-3.768,3
Receipts on issuance of securities		3.297,3	2.543,1	4.561,5
Payment of dividend		-111,9	-78,8	-78,8
Payment disbursed for repayment of hybrid capital		-106,2	-130,7	-200,7
Payment received for issue of hybrid capital		150,0	200,0	200,0
Interest paid on hybrid capital		-16,8	-12,0	-27,8
Net cash flow from financing activities	C	-24,4	404,3	631,3
Net change in cash and cash equivalents	A+B+C	198,5	-51,6	-68,7
Cash and cash equivalents as at 01.01		433,8	502,5	502,5
Holdings of cash and cash equivalents at end of period		632,3	450,9	433,8

*Liquidity reserves include NOK 613.6 million in cash and deposits with central banks and NOK 18.8 million in loans to and deposits with financial institutions which are pure investments.

Additional information on operating activities relating to interest and dividend income		30.06.2024	30.06.2023	31.12.2023
Interest payments received		1.339,0	985,8	2.204,4
Interest payments made		681,1	446,0	1.388,4
Dividends received		84,3	45,7	45,9

Note K1 - Basis for preparation of the financial statements

Accounting Policies

The interim financial statements for the Group have been prepared in accordance with IAS 34 Interim Financial Reporting (IFRS).

A description of the accounting policies applied in the preparation of the financial statements is presented in the Annual Report for 2023. The accounting policies and calculation methods remain largely unchanged from the annual financial statements for 2023.

All amounts are stated in NOK millions and relate to the Group unless otherwise specified.

The interim financial statements have not been audited.

Assessments and use of estimates

The preparation of the consolidated accounts entails that the executive management performs estimates and discretionary assessments and makes assumptions which influence the effect of the application of accounting policies and, consequently, the recognised amounts for assets, liabilities, revenue and costs. For further details, see the Annual Report for 2023, Note 3 – Assessments and use of estimates.

Note K2 - Operating segments

Segment reporting is based on the bank's internal reporting format, where the parent bank and mortgage credit company are divided into retail market, business market and finance. There are also other subsidiaries, as well as a non-reportable segment with items that are not allocated to other segments.

Profit/loss 30.06.2024	Retail market	market	Finance	AS Finansiering	Sparebanken Øst		Unallocated	Eliminations	Group
					Eiendom AS				
Net interest and commission income	222,5	77,4	-12,6	74,8	0,6		101,7	-0,6	463,7
Other operating income	27,0	2,5	4,1	-11,9	3,2		51,2	-3,9	72,0
Operating costs	33,0	6,5	0,0	20,4	2,1		116,1	-4,2	174,1
Profit before losses	216,4	73,3	-8,6	42,5	1,6		36,8	-0,4	361,7
Losses on loans, unused credit and guarantees	1,3	-0,8	0,0	4,6	0,0		-0,1	0,0	4,9
Profit/loss before tax	215,1	74,1	-8,6	37,9	1,6		36,9	-0,4	356,8
Income tax	0,0	0,0	0,0	9,5	0,4		65,0	-0,1	74,7
Profit/loss after tax	215,1	74,1	-8,6	28,4	1,3		-28,1	-0,3	282,0

30.06.2023	Retail market	market	Finance	AS Finansiering	Sparebanken Øst		Unallocated	Eliminations	Group
					Eiendom AS				
Net interest and commission income	211,5	72,3	-16,0	64,4	0,2		66,6	-0,1	398,8
Other operating income	33,4	2,3	-24,1	-12,3	3,1		35,6	-3,5	34,4
Operating costs	32,5	6,4	0,0	19,3	2,1		107,3	-3,5	164,2
Profit before losses	212,3	68,1	-40,1	32,7	1,2		-5,1	-0,1	269,0
Losses on loans, unused credit and guarantees	-2,2	1,1	0,0	2,7	0,0		0,0	0,0	1,5
Profit/loss before tax	214,6	67,1	-40,1	30,0	1,2		-5,1	-0,1	267,6
Income tax	0,0	0,0	0,0	7,5	0,3		51,6	0,0	59,4
Profit/loss after tax	214,6	67,1	-40,1	22,5	0,9		-56,7	-0,1	208,2

31.12.2023	Retail market	market	Finance	AS Finansiering	Sparebanken Øst		Unallocated	Eliminations	Group
					Eiendom AS				
Net interest and commission income	423,4	155,3	-33,7	131,7	0,5		152,3	-0,7	828,8
Other operating income	61,3	4,3	-5,7	-25,5	6,2		54,3	-7,0	88,0
Operating costs	72,0	14,5	0,0	42,1	3,8		220,7	-7,2	345,9
Profit before losses	412,7	145,1	-39,4	64,1	2,8		-14,0	-0,5	570,9
Losses on loans, unused credit and guarantees	-4,6	3,3	0,0	8,0	0,0		-0,1	0,0	6,7
Profit/loss before tax	417,3	141,8	-39,4	56,0	2,8		-13,9	-0,5	564,2
Income tax	0,0	0,0	0,0	14,2	0,6		108,9	-0,1	123,7
Profit/loss after tax	417,3	141,8	-39,4	41,8	2,2		-122,9	-0,4	440,6

Balance sheet

30.06.2024	Retail market	market	Finance	AS Finansiering	Sparebanken Øst		Unallocated	Eliminations	Group
					Eiendom AS				
Lending to customers	31.233,5	3.768,2	0,0	2.778,5	0,0		630,6	-8,1	38.402,7
Other assets	3,3	0,0	6.465,5	65,3	86,1		4.046,8	-2.824,2	7.842,8
Total assets	31.236,9	3.768,2	6.465,5	2.843,8	86,1		4.677,4	-2.832,3	46.245,5
Customer deposits	10.919,7	3.057,2	2.456,2	0,0	0,0		148,3	-37,3	16.544,1
Other liabilities/offsetting	20.317,2	710,9	4.009,3	2.364,0	9,5		-132,2	-2.408,3	24.870,4
Equity	0,0	0,0	0,0	479,8	76,6		4.661,3	-386,6	4.831,0
Total liabilities and equity	31.236,9	3.768,2	6.465,5	2.843,8	86,1		4.677,4	-2.832,3	46.245,5

30.06.2023	Retail market	market	Finance	AS Finansiering	Sparebanken Øst		Unallocated	Eliminations	Group
					Eiendom AS				
Loans to and receivables from customers	30.394,4	3.655,3	0,0	2.630,2	0,0		622,9	-28,3	37.274,5
Other assets	3,8	0,0	5.880,4	61,9	104,4		3.803,5	-2.712,1	7.141,9
Total assets	30.398,2	3.655,4	5.880,4	2.692,1	104,4		4.426,4	-2.740,4	44.416,5
Deposits from and liabilities to customers	10.827,4	3.035,4	1.540,9	0,0	0,0		172,1	-54,2	15.521,7
Other liabilities/offsetting	19.570,9	620,0	4.339,4	2.218,2	30,3		-366,4	-2.299,9	24.112,6
Equity	0,0	0,0	0,0	473,9	74,1		4.620,6	-386,4	4.782,2
Total liabilities and equity	30.398,2	3.655,4	5.880,4	2.692,1	104,4		4.426,4	-2.740,4	44.416,5

31.12.2023	Retail market	market	Finance	AS Finansiering	Sparebanken Øst		Unallocated	Eliminations	Group
					Eiendom AS				
Lending to customers	30.721,2	3.775,8	0,0	2.759,6	0,0		628,4	-7,9	37.877,1
Other assets	3,4	0,0	6.072,3	63,6	86,0		4.103,2	-2.826,9	7.501,5
Total assets	30.724,6	3.775,8	6.072,3	2.823,2	86,0		4.731,6	-2.834,8	45.378,6
Customer deposits	10.698,3	3.038,5	2.020,8	0,0	0,0		139,6	-36,3	15.860,8
Other liabilities/offsetting	20.026,3	737,3	4.051,5	2.371,8	10,7		-181,2	-2.412,2	24.604,2
Equity	0,0	0,0	0,0	451,4	75,3		4.773,2	-386,2	4.913,6
Total liabilities and equity	30.724,6	3.775,8	6.072,3	2.823,2	86,0		4.731,6	-2.834,8	45.378,6

Note K2 Operating segments (cont.)

Deposits from customers divided by sector and industry

	30.06.2024	30.06.2023	31.12.2023
Salaried employees	10.327,6	10.170,4	9.975,6
Public administration	821,9	390,8	333,5
Agriculture, forestry, fishing, etc.	100,8	102,4	139,7
Industry and mining, power and water supply	1.156,3	1.027,1	1.131,5
Building and construction	661,4	571,1	647,4
Wholesale and retail trade, hotels and restaurants	397,4	385,2	477,1
Transport and communications	230,7	193,5	175,2
Business financial services	760,6	719,2	924,6
Other service industries	877,7	846,8	870,1
Real estate sales and operation	1.095,5	1.013,2	1.057,0
Abroad	114,3	101,9	129,3
Total customer deposits	16.544,1	15.521,7	15.860,8

Lending, guarantees and credit facilities by sector and industry

	Gross lending			Guarantees			Potential exposure via overdraft facilities		
	30.06.2024	30.06.2023	31.12.2023	30.06.2024	30.06.2023	31.12.2023	30.06.2024	30.06.2023	31.12.2023
Salaried employees	34.594,2	33.574,5	34.061,6	0,3	1,0	0,6	3.902,6	3.802,2	3.865,0
Public administration	7,2	7,0	7,1	0,0	0,0	0,0	0,0	0,0	0,0
Agriculture, forestry, fishing, etc.	97,8	76,1	93,5	0,3	0,3	0,3	17,7	16,0	15,7
Industry and mining, power and water su	24,9	44,3	50,3	0,1	0,3	0,1	22,2	3,2	4,8
Building and construction	738,5	555,1	551,5	5,0	8,4	4,8	81,2	84,1	74,9
Wholesale and retail trade, hotels and re:	76,6	108,8	93,5	5,8	6,7	5,4	19,7	21,9	23,4
Transport and communications	18,0	14,4	14,1	4,3	3,6	3,8	3,0	4,3	2,2
Business financial services	122,2	78,8	133,1	2,9	1,9	2,9	4,7	6,4	5,3
Other service industries	471,5	452,5	468,3	1,396	1,6	1,6	20,2	17,8	19,8
Real estate sales and operation	2.354,1	2.447,6	2.502,5	9,0	7,4	7,4	17,0	26,6	21,5
Abroad	8,3	22,5	10,0	0,0	0,0	0,0	1,5	4,3	2,7
Total	38.513,4	37.381,6	37.985,5	29,1	31,2	26,7	4.089,8	3.986,7	4.035,0

Geographical distribution of lending to customers

	30.06.2024	30.06.2023	31.12.2023
Drammen	7.291,8	7.443,9	7.370,5
Øvre Eiker	2.421,0	2.128,2	2.252,5
Rest of Buskerud	2.646,7	2.463,7	2.540,8
Asker	4.654,9	4.280,7	4.596,7
Other Akershus	5.105,2	4.970,6	5.081,5
Oslo	7.291,9	7.423,7	7.272,8
Østfold	2.100,7	1.949,1	1.994,9
Vestfold	3.295,7	3.081,7	3.191,0
Rest of Norway	3.697,2	3.617,6	3.674,7
Abroad	8,3	22,5	10,0
Gross lending to customers	38.513,4	37.381,6	37.985,5

Note K3 – Capital adequacy

The Group uses the standardised approach when calculating minimum requirements for primary capital for credit risk. Calculations related to operational risk are performed using the basis method. The capital charge for credit valuation adjustment (CVA) is calculated using the standardised approach. Exposure amounts for derivatives are calculated using the standardised method (SA-CCR).

The Group's primary capital must satisfy the minimum capital adequacy ratio requirements at all times, with the addition of a buffer equivalent to the bank's accepted risk tolerance. See also the bank's Pillar III document, which is available from Sparebanken Øst's website.

	30.06.2024	30.06.2023	31.12.2023
CET1 capital			
Total equity excluding hybrid capital	4.168,3	4.163,8	4.559,9
Deduction items in CET1 capital			
Approval for acquisition of own equity certificates	0,0	-28,3	-28,3
Additional value adjustments (prudent valuation requirement) (AVA)	-7,3	-6,8	-7,2
Dividends	0,0	0,0	-391,6
Goodwill included in the valuation of significant investments	-256,6	-224,3	-247,6
Intangible assets	-29,5	-33,7	-33,0
CET1 capital instruments in other financial institutions (not significant)	0,0	0,0	0,0
CET1 capital instruments in other financial institutions (significant)	0,0	0,0	0,0
Other deductions from CET1 capital	-65,0	-58,2	-65,7
Total CET1 capital	3.809,9	3.812,6	3.786,6
Other Tier 1 capital			
Hybrid Tier 1 capital	350,0	350,0	350,0
Deductions from other Tier 1 capital			
Other Tier 1 capital instruments in other financial institutions (not significant)	0,0	0,0	0,0
Other Tier 1 capital instruments in other financial institutions (significant)	0,0	0,0	0,0
Total other Tier 1 capital	350,0	350,0	350,0
Total Tier 1 capital	4.159,9	4.162,6	4.136,6
Tier 2 capital			
Subordinated loans	400,0	400,0	400,0
Deductions from Tier 2 capital			
Tier 2 capital instruments in other financial institutions (not significant)	0,0	0,0	0,0
Tier 2 capital instruments in other financial institutions (significant)	0,0	0,0	0,0
Total Tier 2 capital	400,0	400,0	400,0
Net subordinated loan capital	4.559,9	4.562,6	4.536,6

Note K3 - Capital adequacy (contd.)

	30.06.2024	30.06.2023	31.12.2023
Governments and central banks	0,0	0,0	0,0
Local and regional authorities	71,5	0,0	0,0
Publicly owned companies	0,0	6,0	0,0
Multilateral development banks	0,0	0,0	0,0
Institutions	97,0	77,3	83,6
Companies	131,2	67,3	118,3
Mass market accounts	3.301,8	3.227,1	3.241,0
Accounts secured against property	13.162,0	12.918,1	13.128,7
Accounts due	228,3	180,8	232,1
High-risk commitments	767,2	253,7	597,1
Covered bonds	432,8	401,3	448,3
Shares in securities fund	0,0	0,0	0,0
Equity positions	694,6	763,0	750,0
Other exposures	189,7	211,3	195,0
Securitisation	0,0	0,0	0,0
Calculation basis for credit and counterparty risk	19.076,2	18.105,9	18.794,1
Calculation basis for currency risk	0,0	0,0	0,0
Calculation basis for operational risk	1.456,4	1.411,3	1.456,4
Calculation basis for impaired counterparty credit valuation adjustment (CVA)	11,6	13,2	28,3
Deductions from calculation basis	0,0	0,0	0,0
Total calculation basis	20.544,2	19.530,4	20.278,7
CET1 capital ratio	18,55 %	19,52 %	18,67 %
Tier 1 capital ratio	20,25 %	21,31 %	20,40 %
Capital adequacy	22,20 %	23,36 %	22,37 %
Buffers			
Capital conservation buffer	513,6	488,3	507,0
Countercyclical buffer	513,6	488,3	507,0
Systemic risk buffer	924,5	585,9	912,5
Buffer for systemically important banks	0,0	0,0	0,0
Total buffer requirements	1.951,7	1.562,4	1.926,5
Available buffer capital	2.885,4	2.933,7	2.874,0
Leverage ratio	8,77 %	9,13 %	8,89 %

Note K4 – Credit risk

Risk classification of retail and business customers is an integral part of the credit process for retail customers for the approval and overall management of the portfolio. Custom scoring models developed using statistical methods that estimate the probability of default (PD). The models are based on information about the customer's finances and behavior. Risk classification is performed when new loan applications are assessed, then reviewed each month based on available information about changes in the customer's finances and behavior. The risk classification scale consists of 11 categories from A to K, where risk class A represents the lowest credit risk and risk class I represents the highest risk for customers not in risk classes J and K. Risk classes J and K comprise commitments where there is objective evidence of non-performance, and these commitments are placed under special surveillance.

Probability of default (12-month PD) by risk class

Risk class	From	To
A	0,00 %	0,10 %
B	0,10 %	0,25 %
C	0,25 %	0,50 %
D	0,50 %	0,75 %
E	0,75 %	1,50 %
F	1,50 %	2,75 %
G	2,75 %	5,00 %
H	5,00 %	10,00 %
I	10,00 %	99,99 %
J and K	99,99 %	100,00 %

30.06.2024	Gross lending**	Guarantee liabilities	Overdraft facilities	Total commitments	%	Loan loss provisions, Stage 1		Loan loss provisions, Stage 2		Commitments, Stage 3
						Commitments, Stage 1	Commitments, Stage 2	Commitments, Stage 2	Commitments, Stage 3	
A	13.684,3	15,2	1.540,1	15.239,6	36	15.183,7	1,3	55,9	0,0	0,0
B	14.430,5	4,5	2.333,4	16.768,4	39	16.669,6	3,4	98,8	0,1	0,0
C	5.717,1	4,4	158,6	5.880,1	14	5.628,2	2,9	251,9	0,9	0,0
D	1.744,2	0,7	33,1	1.778,0	4	1.380,6	1,0	397,4	1,5	0,0
E	1.078,4	0,9	10,4	1.089,7	3	885,5	1,1	204,1	1,2	0,0
F	922,2	1,4	7,0	930,6	2	691,9	1,6	238,7	1,4	0,0
G	328,8	0,1	2,0	330,9	1	205,5	0,7	125,4	0,8	0,0
H	149,7	0,0	0,1	149,7	0	47,8	0,3	101,9	1,2	0,0
I	179,1	0,0	4,8	183,9	0	18,2	0,5	165,7	5,6	0,0
J	91,5	0,0	0,1	91,6	0	0,0	0,0	0,0	0,0	91,6
K	186,4	0,0	0,0	186,4	0	0,0	0,0	0,0	0,0	186,4
Unallocated	1,2	1,9	0,2	3,3	0	3,3	0,0	0,0	0,0	0,0
Total	38.513,4	29,1	4.089,8	42.632,2	100	40.714,3	12,7	1.639,9	12,6	278,0

* Stage 3 provisions include individually assessed loan loss provisions of NOK 84.8 million.

** Gross lending includes loans at both amortised cost and fair value.

30.06.2023	Gross lending**	Guarantee liabilities	Overdraft facilities	Total commitments	%	Loan loss provisions, Stage 1		Loan loss provisions, Stage 2		Commitments, Stage 3
						Commitments, Stage 1	Commitments, Stage 2	Commitments, Stage 2	Commitments, Stage 3	
A	13.682,7	14,6	1.434,4	15.131,6	35	15.088,6	1,1	43,0	0,0	0,0
B	14.875,7	8,1	2.338,6	17.222,3	40	17.065,8	3,4	156,5	0,1	0,0
C	4.784,1	2,6	149,5	4.936,2	12	4.801,6	2,3	134,6	0,2	0,0
D	1.339,7	0,8	31,7	1.372,2	3	1.121,3	0,8	250,9	0,6	0,0
E	958,2	0,9	12,1	971,2	2	775,0	0,9	196,2	1,0	0,0
F	839,4	1,6	10,9	851,9	2	627,5	1,2	224,4	1,7	0,0
G	338,9	0,0	2,9	341,8	1	236,8	0,8	105,0	0,9	0,0
H	160,9	0,1	0,1	161,1	0	49,5	0,3	111,7	1,4	0,0
I	171,8	0,0	6,3	178,1	0	21,3	0,5	156,8	7,5	0,0
J	51,1	0,1	0,0	51,2	0	0,0	0,0	0,0	0,0	51,2
K	179,0	0,5	0,0	179,5	0	0,0	0,0	0,0	0,0	179,5
Unallocated	0,2	1,9	0,4	2,5	0	2,5	0,0	0,0	0,0	0,0
Total	37.381,6	31,2	3.986,7	41.399,5	97	39.789,8	11,4	1.379,1	13,3	230,6

* Stage 3 provisions include individually assessed loan loss provisions of NOK 82.2 million.

** Gross lending includes loans at both amortised cost and fair value.

Note K4 - Credit risk (cont.)

31.12.2023	Gross lending**	Guarantee liabilities	Overdraft facilities	Total commitments	%	Loan loss provisions, Commitments			Loan loss provisions, Commitments	
						ts, Stage 1	Stage 1	ts, Stage 2	Stage 2	ts, Stage 3
A	13.556,9	11,8	1.509,3	15.078,0	36	15.059,7	1,1	18,4	0,0	0,0
B	14.818,1	3,7	2.324,1	17.145,9	41	16.990,7	3,5	155,2	0,2	0,0
C	5.146,4	5,7	132,3	5.284,4	13	5.150,1	2,5	134,3	0,3	0,0
D	1.492,4	0,4	40,2	1.533,0	4	1.155,9	0,9	377,1	1,6	0,0
E	1.097,9	2,1	9,2	1.109,2	3	869,1	1,2	240,1	1,2	0,0
F	938,5	0,2	12,0	950,7	2	694,6	1,6	256,1	1,9	0,0
G	344,1	0,1	0,7	344,9	1	243,7	0,8	101,2	0,7	0,0
H	146,5	0,0	0,1	146,6	0	45,1	0,3	101,6	1,1	0,0
I	166,1	0,2	4,9	171,3	0	16,7	0,5	154,6	5,5	0,0
J	98,5	0,1	1,8	100,4	0	0,0	0,0	0,5	0,0	99,9
K	179,2	0,5	0,0	179,7	0	0,0	0,0	0,0	0,0	179,7
Unallocated	0,9	1,9	0,4	3,2	0	3,2	0,0	0,0	0,0	0,0
Total	37.985,5	26,7	4.035,0	42.047,3	100	40.228,8	12,4	1.538,9	12,6	279,6

* Stage 3 provisions include individually assessed loan loss provisions of NOK 83.7 million.

** Gross lending includes loans at both amortised cost and fair value.

Note K5 - Losses on loans, unused credit and guarantees

Loss costs

	Q2 2024	Q2 2023	.01-30.06.2024	.01-30.06.2023	Full year 2023
Change in model-based provisions, Stage 1	-0,3	0,4	0,3	0,2	1,1
Change in model-based provisions, Stage 2	0,0	-1,7	0,1	-2,0	-2,7
Change in model-based provisions, Stage 3	0,0	0,4	0,3	0,8	0,4
Increase in existing individual loan loss provisions	1,9	1,5	4,6	4,1	8,0
New individual loan loss provisions	2,0	0,9	3,8	4,1	9,3
Established losses covered by previous individual loan loss provisions	4,4	6,2	5,8	8,2	14,3
Reversals of previous individual loan loss provisions	-3,0	-7,6	-7,3	-11,8	-19,5
Established losses not covered by previous individual loan loss provisions	-1,5	1,2	0,1	0,5	1,7
Recovery of previously identified losses	-1,5	-1,6	-2,8	-2,7	-6,2
Amortisation costs for the period	0,1	0,1	0,1	0,1	0,2
Losses on loans, unused credit and guarantees	2,2	-0,2	4,9	1,5	6,7
- of which losses on lending to retail customers of the parent bank and mortgage credit company	0,0	-1,0	0,7	-1,3	-3,8
- of which losses on lending to business customers	0,1	-0,5	0,1	-0,1	2,2
- of which losses on lending AS Financiering	2,6	1,1	4,6	2,7	8,0
- of which losses on unused credit and guarantees	-0,6	0,3	-0,5	0,2	0,2

Changes in loan loss provisions

Group – 30.06.2024	Expected credit loss cted credit loss cted credit loss			Total
	Stage 1	Stage 2	Stage 3	
Opening balance at 01.01.24	12,4	12,6	85,0	109,9
Transferred to Stage 1	3,0	-2,7	-0,3	0,0
Transferred to Stage 2	-0,6	1,4	-0,8	0,0
Transferred to Stage 3	-0,1	-2,1	2,2	0,0
Net change	-2,9	3,7	4,0	4,9
New losses	4,1	1,5	0,4	6,0
Deducted losses	-3,1	-1,7	-4,2	-9,0
Change in risk model/parameters	0,0	0,0	0,0	0,0
Opening balance as at 30.06.24	12,7	12,6	86,4	111,7
- of which loan loss provisions for lending to retail customers of the parent bank and mortgage credit company	6,3	5,3	3,6	15,2
- of which loan loss provisions for lending to business customers	2,6	2,4	1,2	6,2
- of which loan loss provisions on lending AS Financiering	3,0	4,6	81,6	89,3
- of which loan loss provisions for unused credit and guarantees	0,8	0,3	0,0	1,1
Model-based loan loss provisions	12,7	12,6	1,6	26,9
Individual loan loss provisions	0,0	0,0	84,8	84,8

Note K5 - Losses on loans, unused credit and guarantees (cont.)

Group – 30.06.2023	Expected credit loss cted credit loss cted credit loss			Total
	Stage 1	Stage 2	Stage 3	
Opening balance at 01.01.23	11,2	15,3	86,7	113,2
Transferred to Stage 1	3,2	-2,9	-0,3	0,0
Transferred to Stage 2	-0,6	1,4	-0,8	0,0
Transferred to Stage 3	-0,1	-1,5	1,6	0,0
Net change	-3,4	2,7	3,8	3,0
New losses	4,1	1,4	0,0	5,5
Deducted losses	-3,0	-3,0	-7,1	-13,1
Change in risk model/parameters	0,0	0,0	0,0	0,0
Opening balance as at 30.06.23	11,4	13,3	83,9	108,6
- of which loan loss provisions for lending to retail customers of the parent bank and mortgage credit company	6,0	7,2	3,8	17,0
- of which loan loss provisions for lending to business customers	1,7	1,0	1,6	4,2
- of which loan loss provisions on lending AS Financiering	3,0	4,6	78,2	85,9
- of which loan loss provisions for unused credit and guarantees	0,7	0,5	0,3	1,5
Model-based loan loss provisions	11,4	13,3	1,7	26,4
Individual loan loss provisions	0,0	0,0	82,2	82,2

Group – 31.12.2023	Expected credit loss cted credit loss cted credit loss			Total
	Stage 1	Stage 2	Stage 3	
Opening balance at 01.01.23	11,2	15,3	86,7	113,2
Transferred to Stage 1	3,7	-3,3	-0,3	0,0
Transferred to Stage 2	-0,5	1,0	-0,5	0,0
Transferred to Stage 3	-0,2	-2,4	2,5	0,0
Net change	-4,5	2,2	8,7	6,5
New losses	6,5	4,1	1,5	12,1
Deducted losses	-4,5	-4,8	-13,6	-22,8
Change in risk model/parameters	0,6	0,4	0,0	1,0
Closing balance at 31.12.23	12,4	12,6	85,0	109,9
- of which loan loss provisions for lending to retail customers of the parent bank and mortgage credit company	6,0	4,9	3,7	14,6
- of which loan loss provisions for lending to business customers	2,5	2,4	1,5	6,5
- of which loan loss provisions on lending AS Financiering	3,2	4,7	79,5	87,4
- of which loan loss provisions for unused credit and guarantees	0,7	0,5	0,3	1,5
Model-based loan loss provisions	12,4	12,6	1,3	26,2
Individual loan loss provisions	0,0	0,0	83,7	83,7

Change in gross lending, broken down by stage

The table below does not include fixed-rate loans at fair value.

Group – 30.06.2024	Stage 1	Stage 2	Stage 3	Total
	Opening balance at 01.01.24	35.971,5	1.490,7	277,2
Transferred to Stage 1	408,4	-393,7	-14,7	0,0
Transferred to Stage 2	-648,1	682,6	-34,6	0,0
Transferred to Stage 3	-28,3	-75,3	103,6	0,0
Net change	71,3	-39,5	-29,7	2,1
New loans	12.150,1	243,1	2,1	12.395,3
Deducted lending	-11.544,6	-302,5	-26,1	-11.873,1
Opening balance as at 30.06.24	36.380,4	1.605,4	277,9	38.263,7
- of which lending to retail customers of the parent bank and mortgage credit company	30.414,7	1.038,2	83,3	31.536,2
- of which lending to business customers	3.559,8	281,2	18,7	3.859,7
- of which lending AS Financiering	2.405,9	286,0	175,9	2.867,8
- of which loans with forbearance	0,0	204,0	35,1	239,1

Note K5 - Losses on loans, unused credit and guarantees (cont.)

Group – 30.06.2023	Stage 1	Stage 2	Stage 3	Total
Opening balance at 01.01.23	35.129,5	1.272,1	215,0	36.616,5
Transferred to Stage 1	331,3	-327,5	-3,8	0,0
Transferred to Stage 2	-498,6	524,2	-25,5	0,0
Transferred to Stage 3	-26,2	-48,6	74,9	0,0
Net change	-33,3	-72,3	-17,2	-122,8
New loans	12.277,8	265,7	1,0	12.544,5
Deducted lending	-11.609,9	-278,7	-14,3	-11.902,9
Opening balance as at 30.06.23	35.570,5	1.334,8	230,1	37.135,3
- of which lending to retail customers of the parent bank and mortgage credit company	29.729,7	915,0	46,4	30.691,1
- of which lending to business customers	3.562,3	150,1	15,7	3.728,2
- of which lending AS Financiering	2.278,4	269,7	168,0	2.716,1
- of which loans with forbearance	0,0	225,3	24,3	249,6

Group – 31.12.2023	Stage 1	Stage 2	Stage 3	Total
Opening balance at 01.01.23	35.129,5	1.272,1	215,0	36.616,5
Transferred to Stage 1	361,5	-355,3	-6,2	0,0
Transferred to Stage 2	-654,2	678,4	-24,2	0,0
Transferred to Stage 3	-59,0	-83,5	142,5	0,0
Net change	-247,9	-92,5	-34,4	-374,8
New loans	18.909,4	546,6	22,1	19.478,1
Deducted lending	-17.467,8	-475,1	-37,5	-17.980,4
Closing balance at 31.12.23	35.971,5	1.490,7	277,2	37.739,4
- of which lending to retail customers of the parent bank and mortgage credit company	30.008,5	946,7	79,6	31.034,8
- of which lending to business customers	3.569,0	259,3	29,3	3.857,6
- of which lending AS Financiering	2.394,0	284,7	168,3	2.847,0
- of which loans with forbearance	0,0	222,3	41,2	263,5

Model-based expected credit loss

At the end of Q2 2024, the economic outlook is generally considered not to have changed compared with what was assumed when the annual financial statements for 2023 were published.

The probability weighting of the macro scenarios used to calculate the model-based expected credit loss remained unchanged at the end of Q2 2024 compared with the weights used in the preparation of the annual financial statements for 2023. The factors for the different scenarios, which express the amount of expected credit loss in the optimistic and pessimistic scenarios compared with the expected scenario, remained unchanged at the end of Q2 2024 compared with what was used in the preparation of the annual financial statements for 2023.

The table below shows the expected credit loss in the different scenarios and the probability weights. Individually assessed loan loss provisions remain unchanged in the different scenarios.

30.06.2024 – Group	Probability weight	Stage 1	Stage 2	Stage 3	Total
Optimistic scenario	0 %	6,9	7,0	85,8	99,7
Expected scenario	70 %	8,7	8,8	86,0	103,5
Pessimistic scenario	30 %	22,1	21,6	87,3	131,1
Loan loss provisions (probability-weighted)	100 %	12,7	12,6	86,4	111,7

Note K6 - Non-performing commitments, customers

	30.06.2024	30.06.2023	31.12.2023
Payments over 90 days past due			
Business	9,5	10,0	10,9
+ Retail	19,3	12,6	13,6
+ AS Financiering	150,1	145,2	146,5
= Gross payment defaults	178,8	167,7	171,0
- Loan loss provisions	85,0	82,5	84,0
= Net payment defaults	93,8	85,2	87,0
Other non-performing commitments			
Business	9,4	6,3	19,5
+ Retail	64,1	33,8	67,3
+ AS Financiering	25,7	22,8	21,7
= Gross other non-performing commitments	99,2	62,9	108,5
- Loan loss provisions	1,4	1,4	1,0
= Net other non-performing commitments	97,8	61,5	107,5
Non-performing commitments			
Business	18,8	16,3	30,4
+ Retail	83,3	46,4	80,9
+ AS Financiering	175,9	168,0	168,3
= Gross non-performing commitments	278,0	230,6	279,6
- Loan loss provisions	86,4	83,9	85,0
= Net non-performing commitments	191,6	146,7	194,6

Note K7 Net interest income

	Q2 2024	Q2 2023	I.01-30.06.2024	I.01-30.06.2023	Full year 2023
Interest income from loans to and receivables from financial institutions	5,8	3,6	9,1	7,1	15,7
Interest income from loans to customers	600,2	449,7	1.181,6	873,8	1.950,8
Interest income from certificates and bonds	79,9	59,0	154,0	117,1	273,9
Other interest income	1,0	0,0	1,7	0,0	4,5
Total interest income	686,9	512,3	1.346,5	998,0	2.244,9
Interest costs on liabilities to financial institutions	1,8	2,5	3,8	5,2	9,3
Interest on deposits from customers	119,7	66,0	235,6	125,6	312,5
Interest on securities issued	294,0	222,0	580,2	427,7	993,7
Interest on senior subordinated bonds	21,2	12,0	42,4	21,6	59,0
Interest on subordinated loan capital	7,1	5,6	14,1	11,0	25,4
Other interest costs	3,3	4,1	6,6	8,1	16,3
Total interest costs	447,1	312,2	882,7	599,2	1.416,1
Net interest income	239,8	200,2	463,7	398,8	828,8

Note K8 - Net changes in value and gains/losses on financial instruments

	Q2 2024	Q2 2023	I.01-30.06.2024	I.01-30.06.2023	Full year 2023
Net changes in value and gains/losses on certificates and bonds	3,9	-14,9	-0,4	-21,3	-1,9
Net value change and gains/losses on shares	-21,6	-33,2	-38,3	-18,8	7,3
Net changes in value and gains/losses on fixed-interest loans	0,6	-5,1	-1,4	-4,8	1,3
Net changes in value and gains/losses on other financial instruments	0,2	14,8	8,0	8,1	-10,0
Net value change and gains/losses on financial instruments	-16,9	-38,5	-32,1	-36,9	-3,3

Note K9 - Operating costs

	Q2 2024	Q2 2023	I.01-30.06.2024	I.01-30.06.2023	Full year 2023
Payroll costs incl. AGA and financial activity tax	32,9	31,8	78,1	74,4	171,0
Pension costs	4,1	4,3	8,0	8,1	15,0
Other personnel-related costs	1,3	2,2	3,635	4,7	8,7
IT costs	12,8	12,2	31,2	25,0	50,7
Other administrative costs	3,7	3,7	8,8	8,8	16,9
Depreciation/impairment of tangible and intangible assets	6,8	7,3	13,7	14,3	29,0
Operating costs, properties and premises	2,2	3,2	5,0	6,4	10,7
Wealth tax	2,8	2,6	5,7	5,1	10,9
Other operating costs	10,6	8,0	19,9	17,4	33,1
Total operating costs	77,2	75,1	174,1	164,2	345,9

Note K10 - Classification of financial instruments

30.06.2024	Fair value through profit and loss		Measured at amortised cost*	Total
	Mandatory	Designated		
Cash and receivables from central banks	0,0	0,0	613,6	613,6
Net loans to and receivables from financial institutions	0,0	0,0	18,8	18,8
Net lending to customers	0,0	249,7	38.153,0	38.402,7
Certificates and bonds	6.055,5	0,0	0,0	6.055,5
Financial derivatives**	43,5	0,0	0,0	43,5
Shares and units	779,4	0,0	0,0	779,4
Total financial assets	6.878,4	249,7	38.785,3	45.913,5
Liabilities to financial institutions	0,0	0,0	192,1	192,1
Customer deposits	0,0	0,0	16.544,1	16.544,1
Securities issued	0,0	0,0	21.707,9	21.707,9
Financial derivatives**	186,6	0,0	0,0	186,6
Lease liabilities	0,0	0,0	38,8	38,8
Senior subordinated bonds	0,0	0,0	1.501,6	1.501,6
Subordinated loan capital	0,0	0,0	402,4	402,4
Total financial liabilities	186,6	0,0	40.387,0	40.573,6

* Includes hedged liabilities

** Includes derivatives for which hedge accounting is used

30.06.2023	Fair value through profit and loss		Measured at amortised cost*	Total
	Mandatory	Designated		
Cash and receivables from central banks	0,0	0,0	437,8	437,8
Net loans to and receivables from financial institutions	0,0	0,0	13,1	13,1
Net lending to customers	0,0	246,3	37.028,2	37.274,5
Certificates and bonds	5.485,3	0,0	0,0	5.485,3
Financial derivatives**	24,6	0,0	0,0	24,6
Shares and units	777,2	0,0	0,0	777,2
Total financial assets	6.287,1	246,3	37.479,1	44.012,5
Liabilities to financial institutions	0,0	0,0	246,7	246,7
Customer deposits	0,0	0,0	15.521,7	15.521,7
Securities issued	0,0	0,0	21.420,8	21.420,8
Financial derivatives**	240,5	0,0	0,0	240,5
Lease liabilities	0,0	0,0	43,3	43,3
Senior subordinated bonds	0,0	0,0	1.199,2	1.199,2
Subordinated loan capital	0,0	0,0	400,9	400,9
Total financial liabilities	240,5	0,0	38.832,6	39.073,1

* Includes hedged liabilities

** Includes derivatives for which hedge accounting is used

Note K10 - Classification of financial instruments (cont.)

31.12.2023	Fair value through profit and loss		Measured at amortised cost*	Total
	Mandatory	Designated		
Cash and receivables from central banks	0,0	0,0	417,3	417,3
Net loans to and receivables from financial institutions	0,0	0,0	16,5	16,5
Net lending to customers	0,0	246,1	37.631,0	37.877,1
Certificates and bonds	5.914,0	0,0	0,0	5.914,0
Financial derivatives**	67,6	0,0	0,0	67,6
Shares and units	809,6	0,0	0,0	809,6
Total financial assets	6.791,2	246,1	38.064,8	45.102,1
Liabilities to financial institutions	0,0	0,0	219,6	219,6
Customer deposits	0,0	0,0	15.860,8	15.860,8
Securities issued	0,0	0,0	21.658,5	21.658,5
Financial derivatives**	147,4	0,0	0,0	147,4
Lease liabilities	0,0	0,0	41,5	41,5
Senior subordinated bonds	0,0	0,0	1.508,2	1.508,2
Subordinated loan capital	0,0	0,0	402,4	402,4
Total financial liabilities	147,4	0,0	39.690,9	39.838,3

* Includes hedged liabilities

** Includes derivatives for which hedge accounting is used

Note K11 - Financial instruments at fair value

The bank classifies fair value measurements using a hierarchy involving the following levels:

Level 1: Observable market prices in active markets.

Level 2: Observable market prices in less active markets, or the use of inputs which are either directly or indirectly observable.

Level 3: Valuation techniques not based on observable market data.

Please see Note 25 in the Annual Report for 2023 for further details of individual accounting items.

30.06.2024	Level 1	Level 2	Level 3	Total
Fair value				
Lending to customers	0,0	0,0	249,7	249,7
Certificates and bonds	0,0	6.055,5	0,0	6.055,5
Financial derivatives	0,0	43,5	0,0	43,5
Shares and units	77,9	4,8	696,7	779,4
Total assets at fair value	77,9	6.103,8	946,5	7.128,1
Financial derivatives				
	0,0	186,6	0,0	186,6
Total liabilities at fair value	0,0	186,6	0,0	186,6

Movements in level 3 for items valued at fair value	Fixed-rate loans	through profit and loss	Total
Balance sheet as at 01.01.24	246,0	731,1	977,1
Net realised gains	0,0	0,0	0,0
Additions	19,0	7,9	26,9
Disposals	14,0	0,0	14,0
Changes in value	-1,4	-42,2	-43,6
Transferred from levels 1 and 2	0,0	0,0	0,0
Balance sheet at end of period	249,7	696,7	946,5

30.06.2023	Level 1	Level 2	Level 3	Total
Fair value				
Lending to customers	0,0	0,0	246,3	246,3
Certificates and bonds	0,0	5.485,3	0,0	5.485,3
Financial derivatives	0,0	24,6	0,0	24,6
Shares and units	72,1	5,9	699,2	777,2
Total assets at fair value	72,1	5.515,8	945,5	6.533,4
Financial derivatives				
	0,0	240,5	0,0	240,5
Total liabilities at fair value	0,0	240,5	0,0	240,5

Movements in level 3 for items valued at fair value	Fixed-rate loans	through profit and loss	Total
Balance sheet as at 01.01.23	295,5	720,0	1.015,5
Net realised gains	0,0	0,0	0,0
Additions	24,5	0,0	24,5
Disposals	68,9	0,0	68,9
Changes in value	-4,8	-20,8	-25,6
Transferred from levels 1 and 2	0,0	0,0	0,0
Balance sheet at end of period	246,3	699,2	945,5

Note K11 - Financial instruments at fair value (cont.)

31.12.2023	Level 1	Level 2	Level 3	Total
Fair value				
Lending to customers	0,0	0,0	246,1	246,1
Certificates and bonds	0,0	5.914,0	0,0	5.914,0
Financial derivatives	0,0	67,6	0,0	67,6
Shares and units	74,4	4,1	731,1	809,6
Total assets at fair value	74,4	5.985,8	977,2	7.037,3
Financial derivatives				
	0,0	147,4	0,0	147,4
Total liabilities at fair value	0,0	147,4	0,0	147,4

Movements in level 3 for items valued at fair value	Fixed-rate loans	Shares through profit and loss	Total
Balance sheet as at 01.01.23	295,5	720,0	1.015,5
Net realised gains	0,0	0,0	0,0
Additions	48,5	6,2	54,7
Disposals	99,2	0,0	99,2
Changes in value	1,3	4,9	6,2
Transferred from levels 1 and 2	0,0	0,0	0,0
Balance sheet at end of period	246,1	731,1	977,2

Note K12 - Securities issued, senior subordinated bonds and subordinated loan ca

Change in securities issued	30.06.2024	Issued Due/redeemed		Other changes	
				incl. currency	31.12.2023
Ordinary senior bonds, nominal value	4.225,0	300,0	1.198,8	-1,1	5.124,9
Covered bonds, nominal value	17.501,9	2.997,3	2.010,6	-7,1	16.522,3
Value adjustments	-212,1	0,0	0,0	-79,9	-132,2
Accrued interest	193,2	0,0	0,0	49,7	143,5
Total securities issued	21.707,9	3.297,3	3.209,4	-38,4	21.658,5
Of which: green bonds, nominal value	0,0	0,0	0,0	0,0	0,0

Green bonds are subordinated bond loans issued under a green framework where the monies are used exclusively to finance a portfolio of loans that will contribute to the transition towards lower carbon emissions and climate-resilient development.

Change in securities issued	30.06.2023	Issued Due/redeemed		Other changes	
				incl. currency	31.12.2022
Ordinary senior bonds, nominal value	5.361,9	245,0	68,0	5,1	5.179,8
Covered bonds, nominal value	16.223,5	1.998,2	2.002,1	-7,3	16.234,7
Value adjustments	-294,3	0,0	0,0	-148,2	-146,1
Accrued interest	129,7	0,0	0,0	22,5	107,2
Total securities issued	21.420,8	2.243,1	2.070,1	-128,0	21.375,7
Of which: green bonds, nominal value	1.998,2	1.998,2	0,0	0,0	0,0

Change in senior subordinated bonds	30.06.2024	Issued Due/redeemed		Other changes	
				incl. currency	31.12.2023
Senior subordinated bonds, nominal value	1.493,6	0,0	0,0	0,9	1.492,7
Value adjustments	0,0	0,0	0,0	0,0	0,0
Accrued interest	8,0	0,0	0,0	-7,4	15,4
Total senior subordinated bonds	1.501,6	0,0	0,0	-6,5	1.508,2

Change in senior subordinated bonds	30.06.2023	Issued Due/redeemed		Other changes	
				incl. currency	31.12.2022
Senior subordinated bonds, nominal value	1.192,2	300,0	0,0	0,9	891,3
Value adjustments	0,0	0,0	0,0	0,0	0,0
Accrued interest	7,0	0,0	0,0	2,2	4,8
Total senior subordinated bonds	1.199,2	300,0	0,0	3,0	896,2

Change in subordinated loan capital	30.06.2024	Issued Due/redeemed		Other changes	
				incl. currency	31.12.2023
Ordinary subordinated loan capital, nominal value	400,0	0,0	0,0	0,0	400,0
Value adjustments	0,0	0,0	0,0	0,0	0,0
Accrued interest	2,4	0,0	0,0	0,0	2,4
Total subordinated loan capital	402,4	0,0	0,0	0,0	402,4

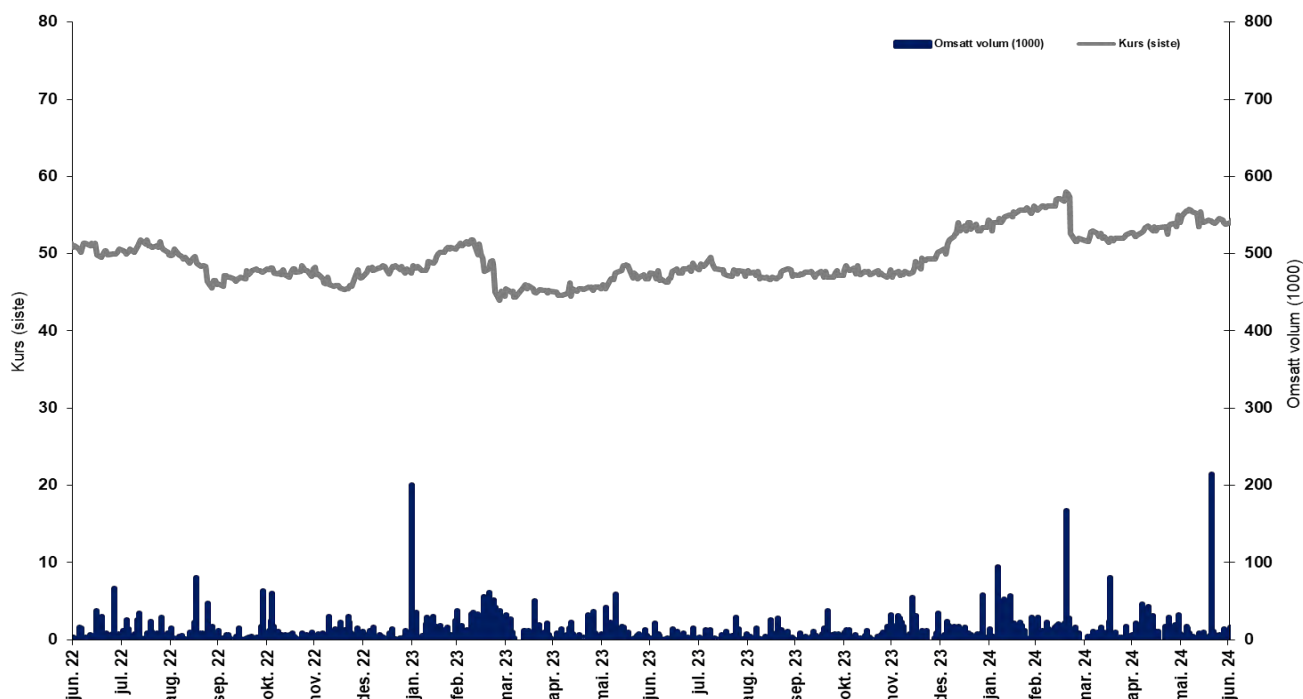
Change in subordinated loan capital	30.06.2023	Issued Due/redeemed		Other changes	
				incl. currency	31.12.2022
Ordinary subordinated loan capital, nominal value	400,0	0,0	20,0	0,0	419,9
Value adjustments	0,0	0,0	0,0	0,0	0,0
Accrued interest	0,9	0,0	0,0	0,0	1,0
Total subordinated loan capital	400,9	0,0	20,0	0,0	420,9

Note K13 - Equity certificates

Ownership fraction, parent bank

	01.01.2024	01.01.2023
Equity certificate capital	207,3	207,3
Premium reserve	387,8	387,8
Equalisation fund (excl. dividend)	361,1	364,2
Share of Fund for Unrealised Gains	114,4	113,8
Total numerator (A)	1.070,5	1.073,1
Total equity excl. hybrid capital (dividend provisions for the year excluded)	3.745,0	3.753,8
Total denominator (B)	3.745,0	3.753,8
Ownership fraction (A/B) in per cent*	28,59	28,59

Sparebanken Øst (SPOG)



The 20 largest equity certificate holders as at 30.06.2024

Name	Number	%	Name	Number	%
1 MP Pensjon	1.334.485	6,44 %	11 AS Andersen Eiendomselskap	230.900	1,11 %
2 VPF Eika Egenkapitalbevis	1.016.905	4,91 %	12 Intertrade Shipping AS	205.000	0,99 %
3 Directmarketing Invest AS	999.500	4,82 %	13 Profond AS	168.019	0,81 %
4 Foretakskonsulenter AS	681.634	3,29 %	14 Morgan Stanley & Co. Internal	133.515	0,64 %
5 KLP	667.442	3,22 %	15 Teigen, Anne Kristine	121.025	0,58 %
6 Hansen, Asbjørn Rudolf	450.000	2,17 %	16 Spesialfondet Borea Utbytte	120.400	0,58 %
7 Jag Holding AS	395.897	1,91 %	17 Hifo Invest AS	119.591	0,58 %
8 Wenaasgruppen AS	273.000	1,32 %	17 Saturn Invest AS	119.591	0,58 %
9 BKK Norwegian Public Service Pension Fund	250.000	1,21 %	19 Juel, Iver Albert	107.511	0,52 %
9 Bergen Kommunale Pensjonskasse	250.000	1,21 %	20 Wergeland Holding AS	104.933	0,51 %

Note K14 Pledged assets and preferential rights

Pledges of security	30.06.2024	30.06.2023	31.12.2023
Bonds, nominal value, pledged as security for borrowing facilities at Norges Bank	1.090,0	1.160,0	1.160,0
Total pledges of security	1.090,0	1.160,0	1.160,0

Preferential rights	30.06.2024	30.06.2023	31.12.2023
Preferential rights in accordance with Section 11-15 of the Norwegian Financial Institutions Act (nominal value)	17.450,0	16.150,0	16.459,0
Total preferential rights	17.450,0	16.150,0	16.459,0

Changes in key figures – Group

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Profitability					
1. Return on equity*	11,55	13,37	9,66	9,98	9,59
2. Net interest income as a % of average total assets	2,07	1,95	1,89	1,89	1,81
3. Profit/loss after income tax as a % of average total assets	1,15	1,30	0,99	1,06	0,99
4. Costs as a % of average total assets	0,67	0,85	0,82	0,78	0,68
5. Costs as a % of income (before losses on loans/guarantees)*	30,43	34,34	38,94	36,23	34,64
6. Costs as a % of income (excl. return on financial investments)*	30,85	41,51	41,47	39,35	35,83
Balance sheet figures					
7. Net lending to customers	38.402,7	38.537,5	37.877,1	37.390,8	37.274,5
8. Lending growth (quarter)	-0,35	1,74	1,30	0,31	1,60
9. Deposits	16.544,1	15.974,1	15.860,8	15.374,1	15.521,7
10. Deposit growth (quarter)	3,57	0,71	3,17	-0,95	2,39
11. Average equity	4.372,0	4.238,8	4.319,1	4.414,4	4.307,4
12. Average total assets	46.522,9	46.089,4	45.378,7	44.897,6	44.465,3
Loan loss provisions on impaired and non-performing commitments					
13. Losses as a % of net lending to customers (OB)*	0,02	0,03	0,03	0,03	0,00
14. Loan loss provisions as a % of gross lending to customers*	0,29	0,29	0,29	0,29	0,29
15. Net payment defaults exceeding 90 days as a % of net lending	0,24	0,26	0,23	0,22	0,23
16. Other net non-performing commitments (Stage 3) as a % of net lending	0,25	0,24	0,28	0,21	0,16
Solvency					
17. CET1 capital ratio (%)	18,55	18,35	18,67	19,10	19,52
18. Tier 1 capital ratio (%)	20,25	20,04	20,40	20,86	21,31
19. Capital adequacy ratio (%)	22,20	21,98	22,37	22,87	23,36
20. Risk-weighted volume (calculation basis)	20.544,2	20.654,6	20.278,7	19.926,5	19.530,4
21. Leverage ratio (%)	8,77	8,62	8,89	8,93	9,13
Liquidity					
22. Deposit coverage ratio	43,08	41,45	41,87	41,12	41,64
23. LCR (%)	249,67	271,83	250,14	344,20	278,99
24. NSFR (%)	134,46	135,02	127,65	130,82	126,07
Branches and full-time equivalents					
25. No. of branches	29	29	29	29	29
26. FTEs	186	189	193	193	192
Equity certificates					
27. Ownership fraction (parent bank) (%)	28,59	28,59	28,59	28,59	28,59
28. No. of equity certificates	20.731.183	20.731.183	20.731.183	20.731.183	20.731.183
29. Book equity per equity certificate*	61,15	59,42	62,88	61,63	60,10
30. Earnings per equity certificate*	1,73	1,94	1,45	1,53	1,42
31. Dividend per equity certificate	0,00	0,00	5,40	0,00	0,00
32. Turnover rate	19,04	21,66	12,42	7,73	13,84
33. Price	53,85	52,00	50,20	47,30	47,50

* Defined as alternative performance target

Definitions of key figures and alternative performance targets

Profitability

- | | |
|--|--|
| 1. Return on equity* | The profit/loss that is attributable to equity certificates and primary capital as a % of average equity adjusted for hybrid capital. The key figure provides relevant information about the Group's profitability by measuring its ability to generate profitability on equity. The return on equity is one of Sparebanken Øst's most important target figures. |
| 2. Net interest income as a % of average total assets | Net interest income as a % of average total assets |
| 3. Profit/loss after income tax as a % of average total assets | Profit/loss after tax as a % of average total assets |
| 4. Costs as a % of average total assets | Payroll, etc., administrative costs, amortisation and other operating costs as a % of average total assets |
| 5. Costs as a % of income (before losses on loans/guarantees)* | Payroll, etc., administrative costs, amortisation and other operating costs as a % of net interest income, dividend, net commission income and value changes and gains/losses on financial instruments and other operating income. The key figure is used to provide information on the ratio between income and costs. |
| 6. Costs as a % of income (excl. return on financial investments)* | Payroll, etc., administrative costs, amortisation and other operating costs as a % of net interest income, net commission income and other operating income. The key figure is used to provide information about the ratio between income and costs. |

Balance sheet figures

- | | |
|--|--|
| 7. Net lending to customers | Gross lending minus loan loss provisions |
| 8. Lending growth (quarter/12 months) | Change in net lending as a % of OB net lending. Quarterly figures show growth in the quarter, while other figures show 12-month growth |
| 9. Deposits | Customer deposits |
| 10. Deposit growth (quarter/12 months) | Change in deposits as a % of OB deposits. Quarterly figures show growth in the quarter, while other figures show 12-month growth. |
| 11. Average equity | (OB equity (adjusted for hybrid capital) less proposed dividends + CB equity (adjusted for hybrid capital) less proposed dividends)/2. |
| 12. Average total assets | Average total assets based on quarterly balance sheet figures |

Loan loss provisions on impaired and non-performing commitments

- | | |
|--|---|
| 13. Losses as a % of net lending to customers (OB)* | Losses as a % of OB net loans to customers for the period. The key figure indicates the recognised loss in relation to net lending at the beginning of the accounting period and provides relevant information on the extent of the losses incurred by the Group in relation to its lending volume. |
| 14. Loan loss provisions as a % of gross lending to customers* | Total loan loss provisions, Stages 1, 2 and 3, as a % of gross lending. This key figure provides relevant information about credit risk and is deemed useful additional information besides that stated in the loss notes. |
| 15. Net payment defaults exceeding 90 days as a % of net lending | Net payment defaults exceeding 90 days as a % of net lending. This key figure provides relevant information about credit risk and is judged to be useful additional information to what is stated in the loss notes. |
| 16. Other net non-performing commitments (Stage 3) as a % of net lending | Net other non-performing commitments as a % of net lending. This key figure provides relevant information about credit risk and is judged to be useful additional information to what is stated in the loss notes. |

Solvency

- | | |
|--|---|
| 17. CET1 capital ratio (%) | CET1 capital as a % of the risk-weighted volume (basis for calculation) |
| 18. Tier 1 capital ratio (%) | Tier 1 capital as a % of the risk-weighted volume (calculation basis) |
| 19. Capital adequacy ratio (%) | Total subordinated loan capital as a % of the risk-weighted volume (basis for calculation) |
| 20. Risk-weighted volume (calculation basis) | Total credit and counterparty risk, currency risk, operational risk and calculation basis for impaired counterparty credit rating (CVA) |
| 21. Leverage ratio (%) | Tier 1 capital as a percentage of unweighted basis for calculation |

Liquidity

- | | |
|----------------------------|--|
| 22. Deposit coverage ratio | Deposits as a % of net loans to customers |
| 23. LCR (%) | Liquid assets as a percentage of net payments in a stress scenario lasting 30 days |
| 24. NSFR (%) | Available stable financing as a % of required stable financing |

Branches and full-time equivalents

- | | |
|---------------------|--|
| 25. No. of branches | |
| 26. FTEs | |

Equity certificates

- | | |
|--|---|
| 27. Ownership fraction (parent bank) (%) | Equity certificate holders' share of total equity adjusted for hybrid capital (less proposed dividends) as a % (Basis at 01.01, time-weighted on issue). |
| 28. No. of equity certificates | Total no. of outstanding equity certificates |
| 29. Book equity per equity certificate* | Equity share capital divided by no. of equity certificates. The calculation includes the year's allocation for dividends. The key figure provides information about the value of the book equity per equity certificate. This allows the reader to assess the reasonableness of the market price in relation to the equity certificate. |
| 30. Earnings per equity certificate* | The equity share capital's share of the profit/loss after tax divided by time-weighted average number of equity certificates during the period. |
| 31. Dividend per equity certificate | Dividend in NOK per equity certificate |
| 32. Turnover rate | Annualised turnover rate (traded as a % of issued) |
| 33. Price | The most recently traded price on the Oslo Stock Exchange at the balance sheet date. |

* Defined as alternative performance target

Financial performance – Group

(Amounts in NOK million)	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Interest income	686,9	659,6	651,2	595,7	512,3
Interest costs	447,1	435,6	435,4	381,5	312,2
Net interest income	239,8	224,0	215,9	214,1	200,2
Commission income and income from banking services	22,4	20,9	21,6	21,4	20,7
Commission costs and costs for banking services	12,4	11,8	12,2	12,0	11,7
Dividend	20,3	64,0	0,1	0,1	45,7
Net changes in value and gains/losses on financial instruments	-16,9	-15,3	14,5	19,1	-38,5
Other operating income	0,4	0,4	0,4	0,6	0,6
Net other operating income	13,7	58,3	24,3	29,2	16,7
Salaries and other personnel costs	38,3	51,5	54,4	53,1	38,3
Depreciation/impairment of tangible and intangible assets	6,8	6,9	7,5	7,1	7,3
Other operating costs	32,1	38,5	31,6	28,0	29,6
Total operating costs	77,2	96,9	93,5	88,2	75,1
Profit before losses	176,4	185,3	146,7	155,2	141,8
Losses on loans, unused credit and guarantees	2,2	2,8	2,7	2,4	-0,2
Profit/loss before tax	174,2	182,5	143,9	152,8	142,0
Income tax	40,7	34,1	31,1	33,2	31,8
Profit/loss after tax	133,5	148,5	112,8	119,5	110,2
Hybrid capital owners' share of the result	8,0	7,6	7,7	8,4	7,2
Equity certificate holders' and primary capital share of profits	125,5	140,9	105,2	111,1	103,0
Profit/loss after tax	133,5	148,5	112,8	119,5	110,2
Earnings per equity certificate	1,73	1,94	1,45	1,53	1,42
Diluted earnings per equity certificate	1,73	1,94	1,45	1,53	1,42

Comprehensive income performance – Group

(Amounts in NOK million)	2. kvartal 2024	1. kvartal 2024	Q4 2023	Q3 2023	Q2 2023
Profit/loss after tax	133,5	148,5	112,8	119,5	110,2
Items that will not be reclassified to the income statement					
Actuarial gains and losses on defined-benefit plans	0,0	0,0	-20,3	0,0	0,0
Tax related to items that cannot be reclassified	0,0	0,0	5,1	0,0	0,0
Comprehensive income	133,5	148,5	97,6	119,5	110,2

Balance sheet performance – Group

(Amounts in NOK millions)	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023
Assets					
Cash and receivables from central banks	613,6	786,4	417,3	497,4	437,8
Loans to and receivables from financial institutions	18,8	95,9	16,5	11,1	13,1
Lending to customers	38.402,7	38.537,5	37.877,1	37.390,8	37.274,5
Certificates and bonds	6.055,5	6.224,1	5.914,0	6.230,4	5.485,3
Financial derivatives	43,5	34,0	67,6	46,6	24,6
Shares and units	779,4	800,8	809,6	786,5	777,2
Intangible assets	29,5	31,6	33,0	32,4	33,7
Investment properties	13,0	13,0	13,1	13,1	13,2
Tangible fixed assets	121,4	121,9	122,8	121,8	123,0
Lease rights	37,5	39,9	40,2	40,9	42,1
Other assets	130,8	115,2	67,4	207,8	192,1
Total assets	46.245,5	46.800,2	45.378,6	45.378,7	44.416,5
Liabilities and equity					
Liabilities to financial institutions	192,1	222,9	219,6	249,9	246,7
Customer deposits	16.544,1	15.974,1	15.860,8	15.374,1	15.521,7
Securities issued	21.707,9	22.822,8	21.658,5	22.110,6	21.420,8
Financial derivatives	186,6	169,5	147,4	287,6	240,5
Other liabilities	698,8	820,8	433,8	436,7	449,7
Pension liabilities	60,2	60,2	60,2	52,7	52,7
Tax payable	76,3	105,1	126,7	92,5	55,7
Deferred tax	4,5	4,5	4,5	1,3	1,5
Provisions, unused credit and guarantees	1,1	1,7	1,5	1,3	1,5
Lease liabilities	38,8	41,2	41,5	42,1	43,3
Senior subordinated bonds	1.501,6	1.512,2	1.508,2	1.504,1	1.199,2
Subordinated loan capital	402,4	402,3	402,4	402,3	400,9
Total liabilities	41.414,6	42.137,3	40.465,0	40.555,3	39.634,2
Paid-up equity	595,1	595,1	595,1	595,1	595,1
Hybrid capital	396,2	353,7	353,7	353,5	423,4
Retained earnings	3.839,7	3.714,1	3.964,8	3.874,9	3.763,8
Total equity	4.831,0	4.662,9	4.913,6	4.823,4	4.782,2
Total liabilities and equity	46.245,5	46.800,2	45.378,6	45.378,7	44.416,5

Income statement – parent bank

(Amounts in NOK million)	Note	Q2 2024	Q2 2023	1.01.-30.06.2024	1.01.-30.06.2023	Full year 2023
Interest income		376,2	280,2	754,9	544,4	1.254,4
Interest costs		227,9	150,3	462,1	286,0	704,7
Net interest income		148,3	129,9	292,8	258,5	549,7
Commission income and income from banking services		28,2	26,4	53,5	58,4	112,7
Commission costs and costs for banking services		4,7	4,1	9,2	8,1	17,1
Dividend		20,3	45,7	84,3	45,7	160,1
Net changes in value and gains/losses on financial instruments		-16,1	-37,8	-30,2	-33,8	1,1
Other operating income		1,2	1,2	2,3	2,3	4,6
Net other operating income		28,8	31,4	100,8	64,6	261,4
Salaries and other personnel costs		34,7	34,8	81,3	79,0	176,0
Depreciation/impairment of tangible and intangible assets		6,4	7,0	13,0	13,6	27,6
Other operating costs		25,6	23,8	57,5	50,1	96,0
Total operating costs		66,6	65,6	151,8	142,7	299,6
Profit before losses		110,5	95,7	241,7	180,4	511,5
Losses on loans, unused credit and guarantees	3	-0,1	-0,7	0,1	-0,8	-0,2
Profit/loss before tax		110,7	96,5	241,6	181,2	511,8
Income tax		26,1	21,3	48,3	39,4	85,1
Profit/loss after tax		84,6	75,2	193,4	141,8	426,7
Hybrid capital owners' share of the result		8,0	7,2	15,6	13,2	29,3
Equity certificate holders' and primary capital share of profits		76,6	68,0	177,8	128,6	397,4
Profit/loss after tax		84,6	75,2	193,4	141,8	426,7
Earnings per equity certificate		1,06	0,94	2,45	1,77	5,48
Diluted earnings per equity certificate		1,06	0,94	2,45	1,77	5,48

Comprehensive income – parent bank

(Amounts in NOK millions)	Note	2. kvartal 2024	2. kvartal 2023	1.1.-30.6.2024	1.1.-30.6.2023	Året 2023
Profit/loss after tax		84,6	75,2	193,4	141,8	426,7
Items that will not be reclassified to the income statement						
Actuarial gains and losses on defined-benefit plans		0,0	0,0	0,0	0,0	-19,2
Tax related to items that cannot be reclassified		0,0	0,0	0,0	0,0	4,8
Items that may subsequently be reclassified to the income statement						
Lending at fair value		0,6	0,4	0,3	0,1	-0,4
Tax related to items that can be reclassified		-0,2	-0,1	-0,1	0,0	0,1
Comprehensive income		85,0	75,4	193,6	141,8	412,0

Balance sheet – parent bank

(Amounts in NOK millions)	Note	30.06.2024	30.06.2023	31.12.2023
Assets				
Cash and receivables from central banks		613,6	437,8	417,3
Loans to and receivables from financial institutions		2.838,9	2.681,8	3.041,7
Lending to customers	4	16.837,6	16.961,7	17.051,1
Certificates and bonds	4	5.743,8	5.183,6	5.601,9
Financial derivatives	4	37,3	22,9	67,6
Shares and units	4	779,4	777,2	809,6
Ownership interests in Group companies		1.800,0	1.800,0	1.800,0
Intangible assets		20,5	22,9	22,3
Tangible fixed assets		71,8	74,6	73,7
Lease rights		69,7	76,9	73,0
Deferred tax asset		10,1	11,7	10,1
Other assets		126,1	187,6	64,7
Total assets		28.948,5	28.238,6	29.032,9
Liabilities and equity				
Liabilities to financial institutions		958,6	732,7	858,2
Customer deposits		16.592,3	15.588,1	15.909,1
Securities issued	5	4.149,4	5.179,2	5.115,2
Financial derivatives	4	129,9	203,6	97,7
Other liabilities		715,7	458,5	427,6
Pension liabilities		57,8	51,1	57,8
Tax payable		48,9	39,4	90,0
Loss provisions, unused credit and guarantees		0,5	0,9	1,0
Lease liabilities		72,3	79,1	75,5
Senior subordinated bonds	5	1.501,6	1.199,2	1.508,2
Subordinated loan capital	5	402,4	400,9	402,4
Total liabilities		24.629,4	23.932,7	24.542,7
Paid-up equity		595,1	595,1	595,1
Hybrid capital		396,2	423,4	353,7
Retained earnings		3.327,8	3.287,4	3.541,4
Total equity		4.319,2	4.305,8	4.490,2
Total liabilities and equity		28.948,5	28.238,6	29.032,9

Changes in equity - parent bank

(Amounts in NOK millions)	Paid-up equity		Hybrid capital			Retained earnings				
	Total equity	Equity certificates	Share premium reserve	Additional Tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for Value change		Retained earnings
								unrealised gains	conservative income as reclass.	
30.06.2024										
Equity at 31.12.2023	4.490,2	207,3	387,8	353,7	473,0	2.630,3	38,1	399,7	0,4	0,0
Ordinary profit	193,4	0,0	0,0	15,6	0,0	0,0	0,0	0,0	0,0	177,8
Change in lending at fair value through comprehensive	0,2	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,2	0,0
Comprehensive income	193,6	0,0	0,0	15,6	0,0	0,0	0,0	0,0	0,2	177,8
Dividend to equity certificate holders 2023 – adopted	-111,9	0,0	0,0	0,0	-111,9	0,0	0,0	0,0	0,0	0,0
Grants for good causes 2023 – adopted	-279,6	0,0	0,0	0,0	0,0	-279,6	0,0	0,0	0,0	0,0
Interest paid on hybrid capital	-16,8	0,0	0,0	-16,8	0,0	0,0	0,0	0,0	0,0	0,0
Issue of new hybrid capital	150,0	0,0	0,0	150,0	0,0	0,0	0,0	0,0	0,0	0,0
Hybrid capital redemption	-106,2	0,0	0,0	-106,2	0,0	0,0	0,0	0,0	0,0	0,0
Equity at 30.06.2024	4.319,2	207,3	387,8	396,2	361,1	2.350,7	38,1	399,7	0,6	177,8

(Amounts in NOK millions)	Paid-up equity		Hybrid capital			Retained earnings				
	Total equity	Equity certificates	Share premium reserve	Additional Tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for Value change		Retained earnings
								unrealised gains	conservative income as reclass.	
30.06.2023										
Equity at 31.12.2022	4.382,3	207,3	387,8	352,9	443,0	2.555,3	38,1	397,3	0,7	0,0
Ordinary profit	141,8	0,0	0,0	13,2	0,0	0,0	0,0	0,0	0,0	128,6
Change in lending at fair value through comprehensive	0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,1	0,0
Comprehensive income	141,8	0,0	0,0	13,2	0,0	0,0	0,0	0,0	0,1	128,6
Dividend to equity certificate holders 2022 – adopted	-78,8	0,0	0,0	0,0	-78,8	0,0	0,0	0,0	0,0	0,0
Grants for good causes 2022 – adopted	-196,8	0,0	0,0	0,0	0,0	-196,8	0,0	0,0	0,0	0,0
Interest paid on hybrid capital	-12,0	0,0	0,0	-12,0	0,0	0,0	0,0	0,0	0,0	0,0
Issue of new hybrid capital	200,0	0,0	0,0	200,0	0,0	0,0	0,0	0,0	0,0	0,0
Hybrid capital redemption	-130,7	0,0	0,0	-130,7	0,0	0,0	0,0	0,0	0,0	0,0
Equity at 30.06.2023	4.305,8	207,3	387,8	423,4	364,2	2.358,5	38,1	397,3	0,7	128,6

(Amounts in NOK millions)	Paid-up equity		Hybrid capital			Retained earnings				
	Total equity	Equity certificates	Share premium reserve	Additional Tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for Value change		Retained earnings
								unrealised gains	conservative income as reclass.	
31.12.2023										
Equity at 31.12.2022	4.382,3	207,3	387,8	352,9	443,0	2.555,3	38,1	397,3	0,7	0,0
Ordinary profit	426,7	0,0	0,0	29,3	112,9	282,1	0,0	2,4	0,0	0,0
Change in lending at fair value through comprehensive	-0,3	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-0,3	0,0
Actuarial gains and losses on defined-benefit plans	-14,4	0,0	0,0	0,0	-4,1	-10,3	0,0	0,0	0,0	0,0
Comprehensive income	412,0	0,0	0,0	29,3	108,8	271,8	0,0	2,4	-0,3	0,0
Dividend to equity certificate holders 2022 – adopted	-78,8	0,0	0,0	0,0	-78,8	0,0	0,0	0,0	0,0	0,0
Grants for good causes 2022 – adopted	-196,8	0,0	0,0	0,0	0,0	-196,8	0,0	0,0	0,0	0,0
Interest paid on hybrid capital	-27,8	0,0	0,0	-27,8	0,0	0,0	0,0	0,0	0,0	0,0
Issue of new hybrid capital	200,0	0,0	0,0	200,0	0,0	0,0	0,0	0,0	0,0	0,0
Hybrid capital redemption	-200,7	0,0	0,0	-200,7	0,0	0,0	0,0	0,0	0,0	0,0
Equity at 31.12.2023	4.490,2	207,3	387,8	353,7	473,0	2.630,3	38,1	399,7	0,4	0,0

Cash flow statement – parent bank

	30.06.2024	30.06.2023	31.12.2023
Operating activities			
Profit/loss before income tax	241,6	181,2	511,8
Adjusted for:			
Change in net interest income earned and accrued interest costs	193,5	101,1	-4,9
Net payment/disbursement of loans to financial institutions	205,0	532,3	176,9
Net receipts/disbursements of loans to customers	214,3	-647,6	-725,4
Change in certificates and bonds	-136,2	165,1	-245,1
Value adjustment, shares and units	38,3	18,8	-19,8
Net change in financial derivatives (net assets and liabilities)	-7,7	-8,9	10,1
Net change in other assets	-61,3	-96,2	26,6
Net receipts/disbursement of borrowing from financial institutions	99,5	-243,6	-86,4
Net receipts/disbursement of deposits from customers	508,3	-342,3	71,6
Net change in other debt	1,2	-64,7	-103,8
Depreciation/write-downs of tangible fixed assets and lease rights	13,0	13,6	27,6
Write-downs of financial assets	0,1	-0,9	-0,5
Amortisation of financing activities measured at amortised cost	0,9	1,0	1,9
Net gain/loss from investing activities	-0,1	0,0	-0,1
Net gain/loss from financing activities	-1,2	0,0	-0,8
Taxes paid for the period	-89,3	-57,1	-56,5
Net cash flow from operating activities	A	1.220,1	-448,5
Investing activities			
Payments on purchases of tangible fixed assets	-1,0	-6,5	-8,6
Receipts from sale of fixed assets	0,2	0,3	0,5
Payments on the purchase of intangible assets	-1,5	-5,2	-8,6
Payments on purchases of financial investments	-8,1	0,0	6,2
Proceeds from sales of financial investments	0,0	0,0	0,0
Net payment/disbursement concerning investments in subsidiaries	0,0	0,0	0,0
Net cash flow from investing activities	B	-10,4	-11,4
Financing activities			
Net receipts/disbursements for loans to/from financial institutions	-27,3	-27,3	-54,5
Payments on repayment of securities	-1.198,8	-88,0	-1.274,2
Receipts on issuance of securities	300,0	545,0	1.794,7
Payment of dividend	-111,9	-78,8	-78,8
Net payments on repayment of hybrid capital	-106,2	-130,7	-200,7
Net receipts on issue of hybrid capital	150,0	200,0	200,0
Interest paid on hybrid capital	-16,8	-12,0	-27,8
Net cash flow from financing activities	C	-1.011,1	408,2
Net change in cash and cash equivalents	A+B+C	198,5	-51,6
Cash and cash equivalents as at 01.01		433,8	502,5
Holdings of cash and cash equivalents at end of period		632,3	450,9

*Liquidity reserves include NOK 613.6 million in cash and deposits with central banks and NOK 18.8 million in loans to and deposits with financial institutions which are pure investments.

Additional information on operating activities relating to interest and dividend income	30.06.2024	30.06.2023	31.12.2023
Interest payments received	747,9	537,4	1.226,2
Interest payments made	259,9	176,2	677,9
Dividends received	84,3	45,7	160,1

Note M1 - Basis for preparation of the financial statements

Accounting Policies

The interim financial statements for the parent bank have been prepared in accordance with IAS 34 Interim Financial Reporting (IFRS).

A description of the accounting policies applied in the preparation of the financial statements is presented in the Annual Report for 2023. The accounting policies and calculation methods remain largely unchanged from the annual financial statements for 2023.

All amounts are stated in NOK millions and relate to the parent bank unless otherwise specified.

The interim financial statements have not been audited.

Assessments and use of estimates

The preparation of the accounts requires the management to make estimates and discretionary assessments and to make assumptions which influence the effect of applying the accounting policies and hence the recognised amounts for assets, liabilities, income and expenses. For further details, see the Annual Report for 2023, Note 3 – Assessments and use of estimates.

Note M2 – Capital adequacy

The parent bank uses the standardised approach to calculate the minimum primary capital adequacy requirement for credit risk. Calculations related to operational risk are performed using the basis method. The capital charge for credit valuation adjustment (CVA) is calculated using the standardised approach. Exposure amounts for derivatives are calculated using the standardised method (SA-CCR).

The parent bank's primary capital must satisfy the minimum capital adequacy ratio requirements at all times, with the addition of a buffer equivalent to the bank's accepted risk tolerance. See also the bank's Pillar III document, which is available from Sparebanken Øst's website.

	30.06.2024	30.06.2023	31.12.2023
CET1 capital			
Total equity excluding hybrid capital	3.745,2	3.753,9	4.136,5
Deduction items in CET1 capital			
Approval for acquisition of own equity certificates	0,0	-28,3	-28,3
Additional value adjustments (prudent valuation requirement) (AVA)	-10,3	-10,5	-9,2
Dividends	0,0	0,0	-391,6
Goodwill included in the valuation of significant investments	-256,6	-224,3	-247,6
Intangible assets	-20,5	-22,9	-22,3
CET1 capital instruments in other financial institutions (not significant)	0,0	0,0	0,0
CET1 capital instruments in other financial institutions (significant)	0,0	0,0	0,0
Other deductions from CET1 capital	-64,4	-58,2	-64,4
Total CET1 capital	3.393,4	3.409,6	3.373,2
Other Tier 1 capital			
Hybrid Tier 1 capital	350,0	350,0	350,0
Deductions from other Tier 1 capital			
Other Tier 1 capital instruments in other financial institutions (not significant)	0,0	0,0	0,0
Other Tier 1 capital instruments in other financial institutions (significant)	0,0	0,0	0,0
Total other Tier 1 capital	350,0	350,0	350,0
Total Tier 1 capital	3.743,4	3.759,6	3.723,2
Tier 2 capital			
Subordinated loans	400,0	400,0	400,0
Deductions from Tier 2 capital			
Tier 2 capital instruments in other financial institutions (not significant)	0,0	0,0	0,0
Tier 2 capital instruments in other financial institutions (significant)	0,0	0,0	0,0
Total Tier 2 capital	400,0	400,0	400,0
Net subordinated loan capital	4.143,4	4.159,6	4.123,2

Note M2 - Capital adequacy (contd.)

	30.06.2024	30.06.2023	31.12.2023
Governments and central banks	0,0	0,0	0,0
Local and regional authorities	71,5	0,0	0,0
Publicly owned companies	0,0	6,0	0,0
Multilateral development banks	0,0	0,0	0,0
Institutions	746,0	696,2	773,2
Companies	132,9	68,9	120,0
Mass market accounts	1.033,7	1.166,3	1.040,9
Accounts secured against property	6.374,9	6.499,0	6.578,1
Accounts due	68,6	34,1	83,6
High-risk commitments	767,2	253,7	597,1
Covered bonds	412,5	2.003,6	2.080,7
Shares in securities fund	0,0	0,0	0,0
Equity positions	2.555,0	2.608,1	2.610,4
Other exposures	167,6	196,0	172,6
Securitisation	0,0	0,0	0,0
Calculation basis for credit and counterparty risk	12.329,8	13.532,0	14.056,4
Calculation basis for currency risk	0,0	0,0	0,0
Calculation basis for operational risk	1.016,6	931,0	1.016,6
Calculation basis for impaired counterparty credit valuation adjustment (CVA)	9,4	7,4	11,5
Deductions from calculation basis	0,0	0,0	0,0
Total calculation basis	13.355,8	14.470,4	15.084,5
CET1 capital ratio	25,41 %	23,56 %	22,36 %
Tier 1 capital ratio	28,03 %	25,98 %	24,68 %
Capital adequacy	31,02 %	28,75 %	27,33 %
Buffers			
Capital conservation buffer	333,9	361,8	377,1
Countercyclical buffer	333,9	361,8	377,1
Systemic risk buffer	601,0	434,1	678,8
Buffer for systemically important banks	0,0	0,0	0,0
Total buffer requirements	1.268,8	1.157,6	1.433,0
Available buffer capital	2.792,3	2.758,4	2.694,4
Leverage ratio	12,62 %	8,32 %	8,05 %

Note M3 - Losses on loans, unused credit and guarantees

Loss costs

	Q2 2024	Q2 2023	.01-30.06.2024	.01-30.06.2023	Full year 2023
Change in model-based provisions, Stage 1	0,0	0,7	0,4	0,2	1,0
Change in model-based provisions, Stage 2	0,2	-1,5	0,0	-1,1	-1,3
Change in model-based provisions, Stage 3	-0,2	0,0	-0,1	0,0	0,0
Increase in existing individual loan loss provisions	0,0	0,0	0,0	0,0	0,0
New individual loan loss provisions	0,0	0,0	0,0	0,0	0,0
Established losses covered by previous individual loan loss provisions	0,4	0,0	0,5	0,0	0,0
Reversals of previous individual loan loss provisions	-0,6	0,0	-0,7	0,0	0,0
Established losses not covered by previous individual loan loss provisions	0,0	0,0	0,0	0,1	0,1
Recovery of previously identified losses	0,0	0,0	-0,2	-0,1	-0,2
Amortisation costs for the period	0,1	0,1	0,1	0,1	0,2
Losses on loans, unused credit and guarantees	-0,1	-0,7	0,1	-0,8	-0,2
- of which losses on loans to retail customers	0,4	-0,3	0,5	-0,6	-2,7
- of which losses on lending to business customers	-0,5	-0,5	-0,4	-0,2	2,4
- of which losses on unused credit and guarantees	-0,6	0,2	-0,4	0,1	0,2

Changes in loan loss provisions

Parent bank - 30.06.2024	Expected credit loss cted credit loss cted credit loss			Total
	Stage 1	Stage 2	Stage 3	
Opening balance at 01.01.24	5,8	5,7	5,5	17,1
Transferred to Stage 1	1,2	-1,2	0,0	0,0
Transferred to Stage 2	-0,2	0,2	0,0	0,0
Transferred to Stage 3	0,0	-1,1	1,1	0,0
Net change	-0,9	2,5	-1,4	0,2
New losses	1,9	0,3	0,0	2,2
Deducted losses	-1,6	-0,7	-0,4	-2,7
Change in risk model/parameters	0,0	0,0	0,0	0,0
Opening balance as at 30.06.24	6,2	5,7	4,8	16,8
- of which loan loss provisions for lending to retail customers	3,6	3,3	3,6	10,4
- of which loan loss provisions for lending to business customers	2,7	2,5	1,2	6,3
- of which loan loss provisions for unused credit and guarantees	0,4	0,2	0,0	0,5
Model-based loan loss provisions	6,2	5,7	0,2	12,2
Individual loan loss provisions	0,0	0,0	4,6	4,6

Note M3 - Losses on loans, unused credit and guarantees (cont.)

Parent bank - 30.06.2023	Expected credit loss cted credit loss cted credit loss			Total
	Stage 1	Stage 2	Stage 3	
Opening balance at 01.01.23	4,9	7,0	5,5	17,4
Transferred to Stage 1	1,3	-1,3	0,0	0,0
Transferred to Stage 2	-0,3	0,3	0,0	0,0
Transferred to Stage 3	0,0	-0,3	0,3	0,0
Net change	-1,3	1,4	-0,3	-0,2
New losses	1,9	0,5	0,0	2,4
Deducted losses	-1,4	-1,6	0,0	-3,0
Change in risk model/parameters	0,0	0,0	0,0	0,0
Opening balance as at 30.06.23	5,1	5,9	5,6	16,6
- of which loan loss provisions for lending to retail customers	3,5	4,9	3,7	12,1
- of which loan loss provisions for lending to business customers	1,5	1,0	1,8	4,4
- of which loan loss provisions for unused credit and guarantees	0,3	0,3	0,3	0,9
Model-based loan loss provisions	5,1	5,9	0,3	11,3
Individual loan loss provisions	0,0	0,0	5,2	5,2

Parent bank - 31.12.2023	Expected credit loss cted credit loss cted credit loss			Total
	Stage 1	Stage 2	Stage 3	
Opening balance at 01.01.23	4,9	7,0	5,5	17,4
Transferred to Stage 1	1,2	-1,2	0,0	0,0
Transferred to Stage 2	-0,2	0,2	0,0	0,0
Transferred to Stage 3	-0,1	-0,9	0,9	0,0
Net change	-1,7	0,7	-0,9	-1,9
New losses	3,1	2,0	0,0	5,1
Deducted losses	-2,0	-2,6	0,0	-4,6
Change in risk model/parameters	0,6	0,4	0,0	1,0
Closing balance at 31.12.23	5,8	5,7	5,5	17,1
- of which loan loss provisions for lending to retail customers	3,4	3,0	3,7	10,1
- of which loan loss provisions for lending to business customers	2,4	2,7	1,8	7,0
- of which loan loss provisions for unused credit and guarantees	0,3	0,4	0,3	1,0
Model-based loan loss provisions	5,8	5,7	0,3	11,8
Individual loan loss provisions	0,0	0,0	5,2	5,2

Change in gross lending, broken down by stage

The table below does not include fixed-rate loans at fair value.

Parent bank - 30.06.2024	Stage 1	Stage 2	Stage 3	Total
Opening balance at 01.01.24	16.047,6	699,2	74,2	16.821,1
Transferred to Stage 1	188,7	-179,9	-8,8	0,0
Transferred to Stage 2	-291,6	312,1	-20,6	0,0
Transferred to Stage 3	-3,3	-25,0	28,3	0,0
Net change	61,6	5,3	-5,1	61,8
New loans	5.216,0	59,8	0,0	5.275,8
Deducted lending	-5.387,3	-161,7	-5,6	-5.554,7
Opening balance as at 30.06.24	15.831,8	709,8	62,4	16.604,1
- of which lending to retail customers	12.392,9	437,1	45,2	12.875,3
- of which lending to business customers	3.438,9	272,7	17,2	3.728,8
- of which loans with forbearance	0,0	69,7	23,7	93,4

Note M3 - Losses on loans, unused credit and guarantees (cont.)

Parent bank - 30.06.2023	Stage 1	Stage 2	Stage 3	Total
Opening balance at 01.01.23	15.465,6	534,3	29,2	16.029,1
Transferred to Stage 1	114,1	-114,0	-0,1	0,0
Transferred to Stage 2	-202,3	210,4	-8,1	0,0
Transferred to Stage 3	-6,2	-7,9	14,1	0,0
Net change	54,5	-16,3	-0,1	38,1
New loans	5.865,2	99,5	0,2	5.964,9
Deducted lending	-5.172,1	-125,7	-3,1	-5.301,0
Opening balance as at 30.06.23	16.118,7	580,3	32,0	16.731,0
- of which lending to retail customers	12.646,5	441,2	16,3	13.104,0
- of which lending to business customers	3.472,2	139,1	15,7	3.627,0
- of which loans with forbearance	0,0	87,0	11,2	98,2

Parent bank - 31.12.2023	Stage 1	Stage 2	Stage 3	Total
Opening balance at 01.01.23	15.465,6	534,3	29,2	16.029,1
Transferred to Stage 1	105,9	-105,8	-0,1	0,0
Transferred to Stage 2	-312,9	321,1	-8,3	0,0
Transferred to Stage 3	-27,3	-24,1	51,4	0,0
Net change	-147,5	-29,6	-0,1	-177,2
New loans	8.822,4	223,9	8,6	9.054,9
Deducted lending	-7.858,6	-220,6	-6,5	-8.085,7
Closing balance at 31.12.23	16.047,6	699,2	74,2	16.821,1
- of which lending to retail customers	12.599,8	452,2	44,9	13.096,8
- of which lending to business customers	3.447,9	247,0	29,3	3.724,2
- of which loans with forbearance	0,0	70,6	26,9	97,5

Model-based expected credit loss

At the end of Q2 2024, the economic outlook is generally considered not to have changed compared with what was assumed when the annual financial statements for 2023 were published.

The probability weighting of the macro scenarios used to calculate the model-based expected credit loss remained unchanged at the end of Q2 2024 compared with the weights used in the preparation of the annual financial statements for 2023. The factors for the different scenarios, which express the amount of expected credit loss in the optimistic and pessimistic scenarios compared with the expected scenario, remained unchanged at the end of Q2 2024 compared with what was used in the preparation of the annual financial statements for 2023.

The table below shows the expected credit loss in the different scenarios and the probability weights. Individually assessed loan loss provisions remain unchanged in the different scenarios.

30.06.2024 - Parent bank	Probability weight	Stage 1	Stage 2	Stage 3	Total
Optimistic scenario	0 %	2,9	2,8	4,7	10,4
Expected scenario	70 %	3,7	3,5	4,7	11,9
Pessimistic scenario	30 %	12,2	11,0	5,0	28,2
Loan loss provisions (probability-weighted)	100 %	6,2	5,7	4,8	16,8

Note M4 - Financial instruments at fair value

The bank classifies fair value measurements using a hierarchy involving the following levels:

Level 1: Observable market prices in active markets.

Level 2: Observable market prices in less active markets, or the use of inputs which are either directly or indirectly observable.

Level 3: Valuation techniques not based on observable market data.

Loans at fair value recognised through total comprehensive income are loans identified as transferable to Sparebanken Øst Boligkreditt AS.

Please see Note 25 in the Annual Report for 2023 for further details of individual accounting items.

30.06.2024	Level 1	Level 2	Level 3	Total
Fair value				
Lending to customers	0,0	0,0	3.618,5	3.618,5
Certificates and bonds	0,0	5.743,8	0,0	5.743,8
Financial derivatives	0,0	37,3	0,0	37,3
Shares and units	77,9	4,8	696,7	779,4
Total assets at fair value	77,9	5.785,8	4.315,2	10.178,9
Financial derivatives	0,0	129,9	0,0	129,9
Total liabilities at fair value	0,0	129,9	0,0	129,9

Movements in level 3 for items valued at fair value	Fixed-rate loans	Shares through profit and loss	Lending recognised at fair value	Total
Balance sheet as at 01.01.24	246,0	731,1	2.355,5	3.332,7
Net realised gains	0,0	0,0	0,0	0,0
Additions	19,0	7,9	3.895,6	3.922,5
Disposals	14,0	0,0	2.882,4	2.896,3
Changes in value	-1,4	-42,2	0,0	-43,6
Transferred from levels 1 and 2	0,0	0,0	0,0	0,0
Balance sheet at end of period	249,7	696,7	3.368,8	4.315,2

30.06.2023	Level 1	Level 2	Level 3	Total
Fair value				
Lending to customers	0,0	0,0	4.353,9	4.353,9
Certificates and bonds	0,0	5.183,6	0,0	5.183,6
Financial derivatives	0,0	22,9	0,0	22,9
Shares and units	72,1	5,9	699,2	777,2
Total assets at fair value	72,1	5.212,3	5.053,0	10.337,5
Financial derivatives	0,0	203,6	0,0	203,6
Total liabilities at fair value	0,0	203,6	0,0	203,6

Movements in level 3 for items valued at fair value	Fixed-rate loans	Shares through profit and loss	Lending recognised at fair value through comprehensive income	Total
Balance sheet as at 01.01.23	295,5	720,0	4.609,5	5.625,0
Net realised gains	0,0	0,0	0,0	0,0
Additions	24,5	0,0	3.558,7	3.583,2
Disposals	68,9	0,0	4.060,7	4.129,6
Changes in value	-4,8	-20,8	0,0	-25,6
Transferred from levels 1 and 2	0,0	0,0	0,0	0,0
Balance sheet at end of period	246,3	699,2	4.107,5	5.053,0

Note M4 - Financial instruments at fair value (cont.)

31.12.2023	Level 1	Level 2	Level 3	Total
Fair value				
Lending to customers	0,0	0,0	2.601,6	2.601,6
Certificates and bonds	0,0	5.601,9	0,0	5.601,9
Financial derivatives	0,0	67,6	0,0	67,6
Shares and units	74,4	4,1	731,1	809,6
Total assets at fair value	74,4	5.673,6	3.332,7	9.080,7
Financial derivatives	0,0	97,7	0,0	97,7
Total liabilities at fair value	0,0	97,7	0,0	97,7

Movements in level 3 for items valued at fair value	Fixed-rate loans	Shares through profit and loss	Lending recognised at fair value through	Total
Balance sheet as at 01.01.23	295,5	720,0	4.609,5	5.625,0
Net realised gains	0,0	0,0	0,0	0,0
Additions	48,5	6,2	7.355,6	7.410,4
Disposals	99,2	0,0	9.609,6	9.708,9
Changes in value	1,3	4,9	0,0	6,2
Transferred from levels 1 and 2	0,0	0,0	0,0	0,0
Balance sheet at end of period	246,1	731,1	2.355,5	3.332,7

Note M5 - Securities issued, senior subordinated bonds and subordinated loan capital

Change in securities issued	30.06.2024	Issued	Due/redeemed	Other changes		31.12.2023
				incl. currency		
Ordinary senior bonds, nominal value	4.225,0	300,0	1.198,8	-1,1		5.124,9
Value adjustments	-138,4	0,0	0,0	-52,2		-86,2
Accrued interest	62,8	0,0	0,0	-13,7		76,5
Total securities issued	4.149,4	300,0	1.198,8	-67,0		5.115,2

Change in securities issued	30.06.2023	Issued	Due/redeemed	Other changes		31.12.2022
				incl. currency		
Ordinary senior bonds, nominal value	5.361,9	245,0	68,0	5,1		5.179,8
Value adjustments	-237,1	0,0	0,0	-102,9		-134,1
Accrued interest	54,4	0,0	0,0	-10,6		65,0
Total securities issued	5.179,2	245,0	68,0	-108,5		5.110,7

Change in senior subordinated bonds	30.06.2024	Issued	Due/redeemed	Other changes		31.12.2023
				incl. currency		
Senior subordinated bonds, nominal value	1.493,6	0,0	0,0	0,9		1.492,7
Value adjustments	0,0	0,0	0,0	0,0		0,0
Accrued interest	8,0	0,0	0,0	-7,4		15,4
Total senior subordinated bonds	1.501,6	0,0	0,0	-6,5		1.508,2

Change in senior subordinated bonds	30.06.2023	Issued	Due/redeemed	Other changes		31.12.2022
				incl. currency		
Senior subordinated bonds, nominal value	1.192,2	300,0	0,0	0,9		891,3
Value adjustments	0,0	0,0	0,0	0,0		0,0
Accrued interest	7,0	0,0	0,0	2,2		4,8
Total senior subordinated bonds	1.199,2	300,0	0,0	3,0		896,2

Change in subordinated loan capital	30.06.2024	Issued	Due/redeemed	Other changes		31.12.2023
				incl. currency		
Ordinary subordinated loan capital, nominal value	400,0	0,0	0,0	0,0		400,0
Value adjustments	0,0	0,0	0,0	0,0		0,0
Accrued interest	2,4	0,0	0,0	0,0		2,4
Total subordinated loan capital	402,4	0,0	0,0	0,0		402,4

Change in subordinated loan capital	30.06.2023	Issued	Due/redeemed	Other changes		31.12.2022
				incl. currency		
Ordinary subordinated loan capital, nominal value	400,0	0,0	20,0	0,0		419,9
Value adjustments	0,0	0,0	0,0	0,0		0,0
Accrued interest	0,9	0,0	0,0	0,0		1,0
Total subordinated loan capital	400,9	0,0	20,0	0,0		420,9

Note M6 Transactions with Group companies

The items below show recognised transactions and balances that the parent company has with subsidiaries.

Sparebanken Øst sells mortgages to Sparebanken Øst Boligkreditt AS to replenish the cover pool in the mortgage company. This is either to increase the cover pool in connection with the issuance of new covered bonds or to compensate for mortgages that have been moved to other banks or back to the parent bank. So far this year, Sparebanken Øst Boligkreditt AS has purchased mortgages from Sparebanken Øst worth NOK 3,258 million net. The corresponding value for the same period last year was NOK 2,616 million. In 2023, net mortgages purchased from Sparebanken Øst were NOK 5,489 million. The parent bank sees no significant accounting gains or losses from selling mortgages to Sparebanken Øst Boligkreditt AS.

Sparebanken Øst Boligkreditt AS has a credit facility from the parent bank with a limit of NOK 3.0 billion, of which NOK 2.5 billion is unused. Similarly, AS Finansiering also has a credit facility from the parent bank of NOK 2.5 billion, of which NOK 0.2 billion is unused.

	30.06.2024	30.06.2023	31.12.2023
Profit/loss			
Interest income and similar income			
Interest income from subsidiaries	90,1	59,5	141,6
Interest certificates and covered bonds from subsidiaries	0,0	0,0	0,0
Interest costs and similar costs			
Interest and commission to subsidiaries	29,0	5,4	24,8
Dividend/group contribution receipts			
Dividends/group contributions from subsidiaries	0,0	0,0	114,2
Commission income and income from banking services			
Other operating income from subsidiaries	15,7	16,1	31,9
Other operating income			
Rent from subsidiaries	1,2	1,2	2,3
Other operating costs			
Rent to subsidiaries	2,6	2,0	4,1
Other costs to subsidiaries	0,5	0,5	0,9
Balance sheet			
Loans to and receivables from financial institutions			
Loans to subsidiaries	2.820,1	2.668,7	3.025,2
Lending to customers			
Loans to subsidiaries	7,3	27,4	7,3
Certificates and bonds			
Investment in covered bonds in subsidiaries	0,0	0,0	0,0
Liabilities to financial institutions			
Deposits from subsidiaries	766,5	486,0	638,6
Customer deposits			
Deposits from subsidiaries	47,6	67,1	47,9
Other liabilities			
Other receivables from and liabilities to subsidiaries	37,6	32,0	13,0