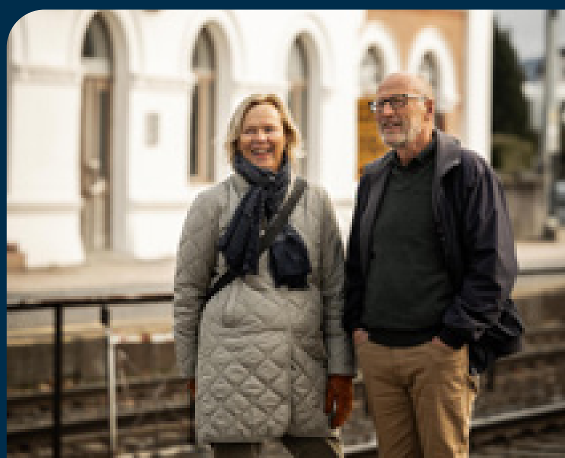
SPAREBANKEN ØST

Annual Report 2024

SPAREBANKEN ØST | 182. YEAR OF OPERATION



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Statement and Results

This annual report is digital. To save the environment, we encourage you to avoid printing the report.

The business

Financial higlights

RESULT AFTER TAX 2024

523,3

Million NOK

Return on equity

OBJECTIVE
> 10,0 %

RESULT
11,8 %

Capital Adequacy

OBJECTIVE
> 19,6

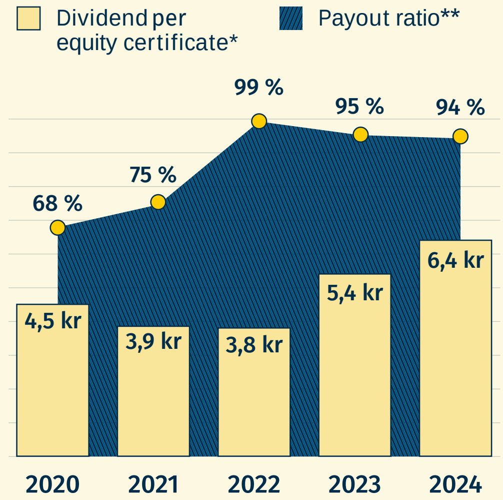
RESULT
22,8

Costs as a Percentage of Income

OBJECTIVE
< 40 %

RESULT
34,6 %

Dividend on equity



* Dividend per equity certificate is the board's proposed amount for consideration at the annual supervisory board meeting.
** Dividend as a percentage of the equity certificate holders' share of the group result according to the ownership ratio.

Income statement key figures

	2024	2023	2022	2021	2020
Net interest income	931,6	828,8	686,2	631,3	632,1
Net commission income	43,3	43,3	37,4	33,3	35,1
Net result from financial assets	62,9	42,7	-28,7	89,8	148,1
Other operating income	2,0	2,0	3,4	6,4	29,3
Total net income	1 039,7	916,8	698,3	760,8	844,7
Total operating expenses	359,8	345,9	309,7	305,7	296,0
Profit before losses	679,9	570,9	388,6	455,2	548,7
Loan losses , unused credit, and guarantees	13,6	6,7	6,8	0,5	15,1
Profit before tax	666,2	564,2	381,9	454,7	533,6
Tax expense	142,9	123,7	85,5	79,3	80,4
Annual result	523,3	440,6	296,4	375,4	453,1

Key figures

	2024	2023	2022	2021	2020
Profitability					
Return on equity*	11,77	9,87	6,65	8,86	11,47
Net interest margin as a % of average total assets	2,02	1,85	1,49	1,34	1,46
Net profit after tax as a % of average total assets	1,13	0,98	0,65	0,79	1,05
Operating expenses as a % of average total assets	0,78	0,77	0,67	0,65	0,68
Operating expenses as a % of income (before loan losses / guarantees)	34,61	37,73	44,35	40,17	35,04
Operating expenses as a % of income excluding returns on financial investments	36,84	39,57	42,60	45,55	42,50
Balance sheet figures					
Net loans to customers	37 003,2	37 877,1	36 800,2	39 386,7	35 443,8
Loan growth (12 months)	-2,31	2,93	-6,57	11,12	3,56
Deposits	16 882,7	15 860,8	15 761,3	17 578,9	14 845,1
Deposit growth (12 months)	6,44	0,63	-10,34	18,42	0,36
Average equity	4 187,4	4 166,1	4 172,9	4 076,5	3 812,9
Average total assets (ATA)	46 186,7	44 753,3	45 926,7	47 242,1	43 299,0
Write-downs on loans and defaults					
Losses as a % of net loans to customers (opening balance)	0,04	0,02	0,02	0,00	0,04
Provision for losses as a % of gross loans to customers*	0,30	0,29	0,31	0,32	0,35
Net payment delinquencies over 90 days as a % of net loans*	0,27	0,23	0,21	0,20	0,29
Net other impaired exposures (in Stage 3) as a % of net loans*	0,36	0,28	0,14	0,31	0,02
Solvency					
Common equity tier 1 (CET1) capital ratio	18,59	18,67	20,11	18,24	17,96
Tier 1 capital ratio	20,30	20,40	21,94	19,89	19,67
Capital adequacy ratio	22,75	22,37	24,03	21,78	21,34
Risk-weighted assets (RWA)	20 437,6	20 278,7	19 087,0	21 190,0	20 471,4
Leverage ratio	8,73	8,89	9,27	8,60	9,03
Liquidity					
Deposit coverage ratio	45,62	41,87	42,83	44,63	41,88
LCR	362,59	250,14	217,26	249,72	266,93
NSFR	133,39	127,65	130,08	122,33	120,40
Offices and full-time equivalents (FTEs)					
Number of bank branches	29	29	30	29	29
Full-time equivalents (FTEs)	186	193	180	187	184
Equity certificates					
Ownership fraction**	28,59	28,59	28,59	29,59	31,40
Number of equity certificates	20 731 183	20 731 183	20 731 183	20 731 183	20 731 183
Book equity per certificate*	64,40	62,88	61,21	61,51	61,18
Earnings per equity certificate	6,80	5,67	3,83	5,16	6,62
Dividend per certificate	6,40	5,40	3,80	3,85	4,50
Turnover rate	16,86	14,26	16,30	28,53	20,64
Rate	71,95	50,20	47,00	57,20	51,40

*Defined as alternative performance measures **For the ownership fraction applicable from 01.01.24, see note 41
For the definition of key figures and discussion of alternative performance measures, see page 176.

CEO's statement

Over the past year, we have become accustomed to an unpredictable world around us, whether it's conflicts and disorder in other parts of the world, or changes happening right outside our door. The election result in the USA also creates increased uncertainty, both globally and nationally.

The Central Bank of Norway kept the policy rate unchanged throughout the past year, despite many predictions that 2024 would bring several interest rate cuts.

In 2024, several larger regional banks in the financial industry have merged. The sector is becoming more expansive, with big regional banks pursuing national ambitions. Regulatory frameworks and requirements are significant drivers of structural changes among smaller banks, creating an increased need for these banks to collaborate more closely than before, or seek partnerships to establish a more robust and sustainable business. Sparebanken Øst has contributed to increasing competition in the central Eastern Norway region for nearly 30 years. We will continue to ensure that customers have the choice to either meet with one of our advisors over a cup of coffee at one of the bank's 30 branches in Eastern Norway, or handle everything from the comfort of their living room. Sparebanken Øst has a growth strategy that combines traditional in-person advisory services and distribution, but since 2006, simple digital solutions have also been embraced for customer dialogue, advisory services, and product delivery.
We firmly believe that Sparebanken Øst will continue to evolve for the benefit of customers, employees, partners, and investors.

Despite challenging times with high interest rates and increased living costs, our customer surveys show that customers are increasingly satisfied with our services and the service experiences we provide. Our goal is to keep getting better, for even more people!

We are pleased that our customers have strong trust in us and find us accessible when they need assistance. It is crucial that we are able to guide and provide sound financial advice to our customers, even during challenging economic times.
Sparebanken Øst has achieved a very strong financial result in 2024. Given the bank's high solidity and low risk, I am very satisfied with how we have managed the bank throughout the year. We have made clear strategic decisions during 2024,
and we see that these have contributed to improved financial results. I am proud that our employees have a strong willingness and ability to adapt, be flexible, and take ownership of all aspects of the bank's operations. The dedication of our employees, every day, throughout the year, is a key factor in the bank's success.

Sparebanken Øst has been looking forward to receiving clarifications on several crucial regulatory matters. We have long advocated for more equal competitive conditions among Norwegian banks. The significant competitive distortion created by differing capital weights for residential and commercial loans between banks using internal risk models (IRB banks), and those using standardized models (standard method banks) will be reduced, when the new risk-sensitive standardized method (Basel 4) is implemented in Norwegian law during 2025.
Furthermore, Sparebanken Øst has focused on ensure that the equity certificate in Norwegian savings banks is properly understood by European regulatory authorities, to prevent regulations from being questioned in terms of its role and position. Sparebanken Øst supports Finans Norge's response to the Savings Bank Committee's report.

I am also proud that Sparebanken Øst continues to uphold its identity as a savings bank with over 150 years of tradition. The bank's ability to direct a significant portion of its profits towards public-benefit initiatives, thereby contributing to the ongoing development of the local community, adds meaningful value for all employees of Sparebanken Øst. We have a broad commitment to society, volunteer work,community effort, and idealism are always present in great measure, whether supporting sports or culture. The same goes for the teams, associations, and individual projects that receive support, as they all strive to create meaningful experiences, a sense of achievement, and personal growth for people in the local community.
We will continue to strengthen and build upon the solid foundation of Sparebanken Øst, and we will remain curious and long-term focused as we further develop the bank.

I look forward to a new year filled with new opportunities.

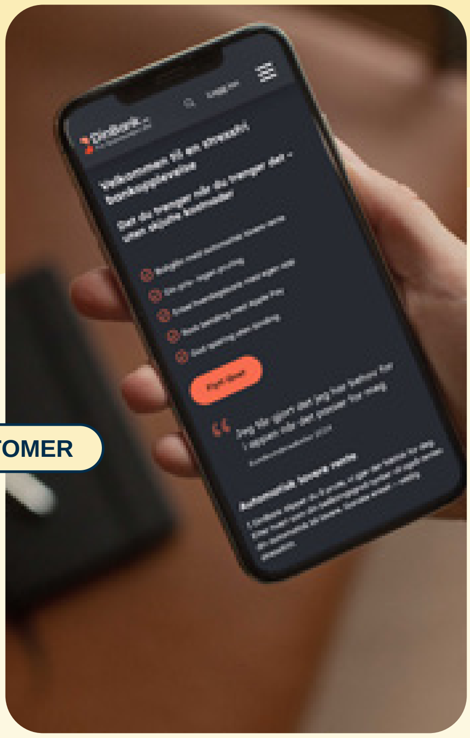
Pål Strand
Chief Executive Officer in Sparebanken Øst

«I am proud that Sparebanken Øst's operations are founded on a savings bank identity with more than 180 years of tradition»

Pål Strand

Chief Executive Officer in Sparebanken Øst

Highlights of the year



Renewal of DinBank.no

CUSTOMER

In November 2024, Sparebanken Øst updated its digital banking concept, DinBank.no. The goal of the renewal was to offer a simpler and more user-friendly banking solution to meet the growing demand for various digital banking services in everyday life. Along with a new profile, a new mortgage product was launched –the Mortgage with Automatically Lower Interest – where the rate is automatically adjusted based on repayment and loan-to-value ratio. These automatic rate adjustments ensure that customers receive better terms without having to negotiate, strengthening both loyalty and market appeal.

New Green Products

ESG

Sparebanken Øst has expanded its offerings with several green loan and refinancing products for both private customers and businesses. Through green mortgages, renovation loans, and green business loans, the bank makes it easier to invest in sustainable buildings, which reduce environmental impact and save costs in the long run.

THE BANK

Svelvik Office 10 Years

For 10 years, Sparebanken Øst in Svelvik has been a solid local bank with a strong focus on personal service and financial advice. The bank has built strong ties with the local community and its customers. The anniversary was celebrated with cake and coffee at the bank’s premises in Svelvik,where 40 members of the local community attended.

Satisfied Customers

CUSTOMER

According to EPSI Rating and their 2024 banking study, which ranks customer satisfaction among bank customers, the industry average was 66.8, showing a decline from previous years. While customer satisfaction is generally experiencing a decrease, the opposite is true at Sparebanken Øst. Our own customer survey gives us a score of 85, which is among the highest in Norwegian banks and an increase of two percent from the previous year. Both Sparebanken Øst and the bank's digital concepts, Nybygger and DinBank.no, also score highly with the comparison service Bytt.no.

Opening in Sarpsborg

CUSTOMER

With the opening of a new office in Sarpsborg, Sparebanken Øst continues its strategy of being close to its customers.
Sparebanken Øst offers a combination of personal service and digital solutions, and is proud to be a part of the city's development. The bank sees great opportunities for growth and collaboration in Sarpsborg. Even before its opening, the office has gained good visibility in the local press.

SOCIETY

The Experience Bank

With the Opplevelsesbanken app's spring 2024 update, Sparebanken Øst is breathing new life into local play areas, turning them into gathering spots for fun and physical activity. The app provides an overview of 40 play zones and activities designed to inspire shared experiences and time outdoors. The launch of the play zones in the app was done in collaboration with Mjøndalen IF and Strømsgodset – and received coverage in the local press. With Opplevelsesbanken, the bank aims to promote physical activity and community spirit in Drammen and Eiker – completely free and easily accessible. Today, the app features over 100 experiences and games, forming part of Sparebanken Øst's commitment to giving back to the local community.

Eiker Conference

Economy

On September 12, the Eiker Conference was held for the third time. This time it took place in Fiskumparken with more than 150 participants from the local business community. The conference serves as an important platform for collaboration and dialogue between business representatives and politicians in the bank's local area. The theme of the conference was business growth, with a focus on how Øvre Eiker can become more attractive for both businesses and residents. Vegard Kvamme, Chief Financial Officer at Sparebanken Øst, gave a presentation on expectations for the Norwegian economy.

New Partner

SOCIETY

In 2024, the bank entered into a long-term partnership with the ice hockey club Frisk Asker. They are more than just an ice hockey club – they are an important community actor that contributes positively to the local area. The club is actively involved in children's and youth sports, offering young people the opportunity to develop both athletically and socially in a safe and inclusive environment. Through collaboration with schools and businesses, they promote public health, empowerment, and unity. With their strong commitment both on and off the ice, they are a valuable resource for the Asker region.

Historical perspective

1839
Petter A. Elster proposes the establishment of a savings bank in Eger.

1842
Egers Prøvesparebank established on January 8 with capital from 261 private individuals.

1843
Egers Sparebank receives royal approval on January 11.

1859
Skoger Sparebank is founded on January 8 with capital from 172 private individuals.

1876
The monetary unit changes from speciedaler and skilling to kroner and øre.

1888
The issuance of mortgage loans secured by real estate is allowed.

1896
Egers Sparebank moves into a new bank building, "Tingstua."

1898
The bank acquires its first telephone.

1907
Piggy banks for home use are introduced.

1988
As the first in Norway, the bank invites subscriptions for equity certificates.

1988
Email communication with the outside world is introduced.

1986
Internal email is introduced in the bank.

1978
The bank acquires its first ATMs.

1971
"Modern" data equipment is used for the first time.

1970
Ekers Sparebank and Nedre Eiker Sparebank merge again.

1954
The bank adopts mechanical bookkeeping.

1943
The bank's 7 employees celebrate the 100th anniversary during the war.

1925
The school savings scheme is established.

1910
Egers Sparebank is divided into two, corresponding to Øvre and Nedre Eiker municipalities.

1988
The bank crisis occurs.

1991
The bank acquires the car financing company AS Financiering in Oslo.

1993
The bank takes over Fokus Bank's operations in lower Buskerud.

1996
Internet banking for personal customers is introduced, and a dedicated website is launched.

1997
Merger between Eiker Sparebank and Drammensbanken Skoger Sparebank – renamed Sparebanken Eiker Drammen.

1999
Renamed Sparebanken Øst.

2006
Establishes digital customer concepts and a multi-brand strategy.

2008
The financial crisis occurs.

2009
Establishes Sparebanken Øst Boligkreditt AS.

2023
Sparebanken Øst celebrates 180 years.

Ekers Sparebank’s head office at Stasjonsgata in Hokksund, which was inaugurated in 1916.

Strategic ambitions

Sparebanken Øst is a solid competitor in an attractive market. The bank has a broad distribution strategy and emphasizes high visibility for its customers, both through physical branches and self-service concepts.

Sparebanken Øst's vision

We aim to be a leading savings bank in the central Eastern Norway region

The bank's vision expresses an ambition to be a relevant and attractive savings bank option for the general public, now and in the future. Our business idea is based on the bank being an independent, locally governed provider of financial services that enables individuals, as well as small and medium-sized businesses, to make the most of their financial resources in the best possible way.

Our value proposition

Closer to the general public

The value proposition defines our promise to our customers, the position we aim to take in the market, and how we differentiate ourselves from our competitors. Sparebanken Øst will be closer to the general public by being accessible and approachable, having a strong customer focus, and offering banking services that meet most needs.

Savings bank identity

For many years, Sparebanken Øst has aimed to combine traditional and modern business models. Regardless of the level of digitalization in its operations, the bank wishes to ensure that its savings bank identity is clearly experienced and recognized. This means we will remain communityoriented and uphold high ethical standards for ourselves and our surroundings. We aim to contribute to value creation and sustainable development, both through the bank's regular operations and its public-benefit activities, regionally and locally. In the bank's development, we see significant value in maintaining local anchorage.

SparebankenØst should be perceived as solid, long-term, and credible to our stakeholders.

Sparebanken Øst aims to be a profitable bank operated on sound business principles, with a goal of remaining relevant to the bank's interest groups in the long term. With a high proportion of private mortgage customers and low loan-tovalue ratios, the bank has a good overview, insight, and level of risk in its loan portfolios. Growth over time in both customer and product portfolios, in both the retail and corporate markets, is crucial for maintaining good and profitable operations in the future.

Financial Objectives

Theme	Objective	
Overall financial goals	We aim to be a profitable bank operated according to sound business principles. Financial results should be achieved each year and over time to contribute to the group's objectives.	
The group's goal for return on equity	The group aims for a return on equity of 9 percent over time.	
The group's goal for capital adequacy	The group should maintain a capital adequacy ratio that meets regulatory requirements plus an additional margin of 1.0 percentage points.	
Cost target as a percentage of income	< 40 %	
Target for loan growth	**Private customers**	At least in line with credit growth in Norway over time
	Business customers	10 % annual growth in the coming years
Target for satisfaction	**Employees**	> 83 %
	Customers	> 77 %

Market and business areas

Since 2005, Sparebanken Øst has pursued a distribution strategy that differs significantly from that of a traditional savings bank and most other Norwegian savings banks. The bank has extensive experience in offering digital banking services to specific market segments through its multibrand strategy (house of brands strategy).

The brand strategy enables us to maintain the bank's competitiveness over time, within selected customer segments across the country.

The concepts create opportunities for differentiation in distribution methods, information flow and customer communication, purchasing processes, service levels, and risk. As a result, each concept serves as a clear and tailored platform for distributing selected financial services to targeted customer segments in the market.

Our market areas:

- We have our origins in the municipalities of Øvre Eiker, Nedre Eiker, and Drammen, and we consider this area our local market. Our ambition is to be a recommended and preferred local bank.
- We are present with branch offices throughout large parts of Eastern Norway, offering personal advice and close follow-up of our customers through various stages of life. Our ambition is to be a committed and proactive bank in the regional market.
- We consider the entire country a market through the use of digital service concepts and distribution channels. Our ambition is to be an efficient and straightforward bank in the national market.
- We provide products and services to small and medium-sized businesses in the central Eastern Norway area, defining the axis from Kongsberg to Oslo as our core market.

Since 1996, Sparebanken Øst has established 25 branches from Stavern in the south to Jessheim in the north, and we now have 30 branches in the central Eastern Norway area.

With cost-effective setups and flexible opening hours, we create meeting places for customers who occasionally need discussions with advisors in addition to the digital and selfservice solutions the bank offers.

The bank provides simple, tailored solutions in everyday banking,loans, savings, and insurance. Our customers can freely choose from the bank's product range without requiring other products or complex linkages.

We aim to be an engaged partner for small and mediumsized businesses and contribute to regional economic development. Our business customers should find us personal and flexible, working to ensure that businesses can make the most of their financial resources.

	1843	2006	2014	2012	2011
	SPAREBANKEN ØST	DinBank.no Fra Sparebanken Øst	Nybygger FRA SPAREBANKEN ØST	BOLIGKREDITT.NO	TOPPRENTE.NO
Physical offices and personal advisory services	✓				
Self-service	✓	✓	✓	✓	✓
Availability customer center	✓	✓	✓	✓	✓
Home loans	✓	✓	✓	✓	
Savings	✓	✓	✓		✓
Insurance	✓		✓		

Environment and Sustainability

Sparebanken Øst har innlemmet bærekraftperspektivet som en naturlig del av virksomheten. Banken har et overordnet mål om netto nullutslipp innen 2050 og har definert delmål innen 2030.

Objective	Objective
Overall objective	Net zero emissions by 2050
Sub-goals by 2030*	25 % reduksjon på CO_2-utslipp i total portefølje
	50% reduction in internal CO_2 emissions
	50% increase in the share of green loans

* The goals are based on the assumption that the banking industry will maintain similar objectives over time and that the Norwegian authorities will establish a credible and detailed plan to achieve the goal of net-zero emissions. It is also assumed that the authorities will build trust in the plan among investors, industries, the population, and other countries. The government's plan is expected to be based on recognized climate scenarios (IEA).

Sparebanken Øst skal:

- Identify significant sustainability risks and opportunities among our customers, ensuring that key sustainability factors influence our offerings to them.
- Integrate the sustainability perspective into our risk reporting.
- Report to our stakeholders in an honest and credible manner about how we manage sustainability.
- Be an attractive partner and financial advisor for customers ‘sustainable projects and solutions.
- Offer green products and concepts to customers who prioritize sustainability.
- Lead by example, maintaining control over internal processes and operations, setting requirements for suppliers and partners, and acting with credibility.
- Be recognized as a bank that is honest and clear, especially concerning the sustainability perspective.

Customer experience

In Sparebanken Øst, we are committed to delivering excellent customer experiences through good accessibility and personalized advice.

We want our customers to have positive experiences with consistently high-quality and relevant financial advice tailored to their needs and situation.

Accessibility

We believe that good customer experience depends on strong accessibility. Our dedicated advisors are available both physically, by phone, and via email to answer questions and resolve issues quickly and effectively. Additionally, we have 30 bank locations in the central Østlandet area where customers can visit or schedule meetings both during and outside of regular opening hours. In 2023, we extended the hours of our customer center, allowing customers to contact us later on weekdays and on weekends. Our goal is to provide the same high-quality experience regardless of how customers interact with us.

Sparebanken Øst aims for our customers to enjoy their experience with us. Through customer satisfaction measurements, we see that the bank has very high customer satisfaction. Our ambition is to continuously improve, and the bank has set a realistic goal of achieving a customer satisfaction rate of 83 percent. As of today, the bank's customer satisfaction is measured through four customer surveys per year. In the most recent survey at the end of 2024, our customers gave us a score of 85 percent, up from 82 percent the previous year. Sparebanken Øst also has a high score on the comparison service Bytt.no, where we received the “Kundefavoritt” award in December 2024. This shows us that customers at Sparebanken Øst are very satisfied with the services and service they receive.

Digitalization

Our digital strategy is anchored in our goal to deliver costeffective solutions that provide value to the customer, simplify daily life for both our customers and advisors, and offer customers choice in how they wish to interact with us.

Cost-Effective and Competitive

We are committed to providing digital services that are not only cost-effective for the bank but also offer real value to our customers. This includes services that provide better financial oversight, simpler payment solutions, and more efficient self-service options. We invest in technology that automates processes and allows us to offer competitive products and services. We believe in giving our customers the freedom to choose how they want to interact with the bank.

Our goal is to provide mobile apps, online platforms, telephone support, and personal meetings at the bank's branches. This creates opportunities for customers to make choices that best fit their individual needs and preferences.

Our digital strategy can be described as a "Smart Follower" position. This means that we carefully monitor and assess new technological trends and innovations in the banking sector and implement solutions once they have proven to be reliable. We aim to balance innovation with stability and reliability to ensure a smooth transition to new technologies.

In response to customer requests, the bank decided to introduce Apple Pay as part of our digital service portfolio. This provides customers with the option to choose from a wide range of products and make payments using their Apple devices.

Cyber and Information Security

The bank must deliver stable and secure infrastructure for both internal production and reporting processes, as well as for our customers. The bank's risk-based approach to IT security is based, among other things, on the national security authorities' core principles for ICT security. The bank uses TietoEvry as the main provider of banking solutions, a choice nearly all Norwegian banks also make. TietoEvry is a large Nordic player with strong systems to ensure the security of the solutions they offer. In recent years, Sparebanken Øst has invested significant resources in new, improved customer solutions, more efficient production solutions, and updated security solutions.

Sparebanken Øst has established a risk register for the digitalization and technology area within the bank, to identify if there is a need for changes in implemented security measures and to continuously uncover areas for improvement. Sparebanken Øst's method for ensuring IT security is primarily through monitoring and identifying potential threats, followed by protecting, managing, and, if necessary, recovering from incidents.

Competence

Sparebanken Øst relies on attracting staffing resources with the right attitudes and skill levels. The bank's employees have been, and continue to be, our most important resource for achieving our business goals, meeting regulatory requirements, and providing customers with excellent services, products, and experiences. Sparebanken Øst aims to offer an inclusive and development-oriented workplace for its employees.

Sparebanken Øst will primarily prioritize the continuous development of employees' skills, providing excellent opportunities for growth.

The bank has a strategy for competence and learning to ensure continuous skill development. We offer a great working environment characterized by open communication, an inclusive culture, interesting challenges, and excellent development opportunities.

Our employees have access to extensive training, certifications, and authorizations to ensure they stay updated with the latest industry trends and professional standards. We also encourage lifelong learning and support our employees' ambitions to develop in their roles.

Through annual employee satisfaction surveys, we have seen in recent years that the bank has a high number of very satisfied employees.

We know that flexibility in the workday is highly valued, which is why we facilitate this through flexible working hours, summer hours, and additional vacation for parents of young children. Employees also have the option to work from home.
The bank also offers other employee benefits such as health insurance, pension and insurance schemes, favorable loan conditions, and a wide range of company cabins.

In order to achieve the bank's goal of providing personal service, our customer advisors must assist clients through all stages of life and in a variety of situations. To deliver the best possible services, we rely on dedicated advisors who are specialists in their fields, both in finance and insurance.

Risk

All banking activities involve a certain degree of risk-taking. Sparebanken Øst is consciously aware of the risks it has or assumes. This includes significant risk areas for losses, such as credit risk and climate risk, market risk, liquidity risk, and operational risk. The bank has established risk tolerances, frameworks, and metrics for these risk areas through approved strategic documents.

Credit Risk

The bank's credit strategies cover various types of credit risk associated with loans, credits, and guarantees provided to customers in both personal and business markets, as well as counterparty risk for securities.

The credit strategy aims to ensure that the bank's credit activities align with the regulatory framework and conditions. The bank's strategic plans and extensive risk assessments reflect its ability and willingness to take risks. The credit strategy is operationalized in the bank's credit manuals and other instructional documents.

The bank has a credit portfolio with a quality and composition that ensures profitability in the short and long term and ensures that the bank's management of credit risk complies with laws, regulations, guidelines from authorities, and other regulatory requirements.

In the personal and business markets, loan-to-value ratio, repayment ability, and willingness to repay are central to credit assessments. The Financial Contracts Act and the loan regulations provide clear guidelines for the bank's lending activities.

Risk assessment for loans to customers is carried out through risk classification of customers. Customers are risk-classified based on score models developed with statistical methods that estimate the probability of default (PD). Risk classification is an integrated part of the credit process, and the requirement for annual reclassification of loan engagements is maintained. The development of credit risk is continuously monitored with reports to the bank's management and quarterly reporting to the bank's board.

The bank's geographic area provides access to a large market in terms of both private and business customers. Mortgage loans to private customers primarily have low risk, with loans secured by real estate representing a significant portion of the bank's total loans. The bank has a low proportion of loans to business customers compared to other comparable banks. The bank's conservative business portfolio, with a large share of commercial real estate for well-known customers, contributes to a low overall credit risk in the bank.

The bank also takes credit risk through the management of liquidity reserves. The bank intends to hold interest-bearing securities with low credit risk for liquidity purposes (reserve for sale if needed) and as a basis for depositing borrowing access with the central bank.

Market Risk

The bank's financial strategy aims to ensure that activities within the financial sector are in line with the framework conditions and guidelines derived from the bank's overall business idea, strategic plans, and budgets, and that activities are prudent in relation to the bank's ability and willingness to bear risk. Furthermore, the financial strategy aims to ensure that the bank's management of financial risk complies with laws, regulations, guidelines from authorities, and other regulatory requirements. Sparebanken Øst has a liquidity portfolio consisting of interest-bearing securities primarily issued by Nordic credit institutions, Norwegian banks,municipalities, states, and state-guaranteed enterprises.

Through this, the bank assumes credit spread risk. Interest rate risk is kept within established limits and is mitigated by having assets and liabilities mostly at floating rates or swapped to floating rates. Exposure to equity instruments beyond the bank's subsidiaries and strategic investments is limited.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes or systems, human errors, or external events. Management and control of operational risk are covered by Sparebanken Øst's comprehensive risk management strategy,which is the bank's overarching document for risk management. The strategy clearly defines who is responsible for establishing and implementing internal controls in the bank. The bank has a clear organizational structure and division of responsibilities, as well as established governance and control arrangements. Systems are in place to monitor risks, ensuring they are identified and managed with regular assessments. Operational risk is aimed to be kept at a low level. The bank conducts annual key process reviews and management confirmations.

Liquidity Risk

Sparebanken Øst maintains a conservative approach to liquidity risk and ensures prudent liquidity management so that the group always has sufficient liquid assets to meet obligations as they fall due. The group should be able to maintain normal operations for at least 12 months without additional liquidity and for three months in a combined stress scenario. The group's liquidity is managed according to established limits and metrics, including LCR, NSFR, and stress tests.

Climate Risk

Climate risk consists of physical climate risk and transition risk. Physical risk can include landslides, floods, sea-level rise, droughts, or other issues related to climate change. Transition risk involves risks associated with the transition to a lowemission society, where changes in climate policy/regulations, development of new technologies,
changing customer preferences, and investor requirements can lead to sudden changes in the market value of financial assets and properties. Climate risk can result in increased credit risk, financial losses, or reduced access to capital.

The bank does not finance carbon-sensitive industries such as oil, gas, or shipping. The bank has defined sectors and activities it does not wish to finance, including coal mining or energy production based on coal, controversial weapons,tobacco, pornography, oil sands/tar sands, shale oil and gas, or oil and gas extraction in the Arctic.In recent years, Sparebanken Øst has increased its focus on climate risk in its lending portfolios and has mapped both mortgage customers and commercial real estate customers for physical climate risk. For more details on climate and environmental risk, refer to page 36.

Subsidiaries and Strategic Ownership Interests

The bank's ownership strategy aims to ensure that our independence and local governance are maintained or strengthened. Furthermore, the bank may engage in activities expected to contribute to achieving the bank's overall financial objectives in the short and long term. All subsidiaries are 100 percent owned by Sparebanken Øst and are included in the bank's consolidated financial statements.

Subsidiaries

AS Financiering

One of Norway's oldest financing companies with roots dating back to 1930, and since 1991 has been a wholly-owned subsidiary of Sparebanken Øst. AS Financiering is co-located with Sparebanken Øst in central Oslo.

AS Financiering specializes in sales pledge loans for new and used cars. The company aims to be a leading player in used car financing and also has a clear position in the leisure market (motorcycles, ATVs, snowmobiles, and caravans). AS Financiering operates nationwide and distributes its products through digital channels, partner dealers, and the parent bank's branches.

The company also offers sales pledge loans through the digital concept "Dittbillån.no," a leading car loan concept for newer cars with low loan-to-value ratios. AS Financiering also contributes to the green shift by offering favorable financing for zero- and low-emission vehicles.

At the end of 2024, net loans to customers amounted to NOK 2.8 billion in AS Financiering.

Sparebanken Øst Boligkreditt AS

Has a license as a credit institution with the right to issue covered bonds (OmF). Since its establishment in 2009, the company has been a crucial player in ensuring the bank's longterm and favorable market financing of the bank's mortgage loan portfolio through the issuance of OmF in the market.

The company has an Aaa credit rating from Moody's Investor Service on all its bond issuances. This reflects the lowest risk and is important for securing the bank's market access and achieving favorable loan terms.

The company acquires loans from two sources. Loans can be granted through the market concept "Boligkreditt.no" in Sparebanken Øst Boligkreditt AS, or loans can be acquired from the parent bank. The latter is the company's primary source of loans for the issuance of OmF. Loans transferred to or granted by Sparebanken Øst Boligkreditt AS are secured by mortgages on real estate (home mortgage loans) within 75 percent of the property's market value.

At the end of 2024, net loans to customers amounted to NOK 18.8 billion, and issued covered bonds amounted to NOK 17.5 billion in Sparebanken Øst Boligkreditt AS.

Sparebanken Øst Eiendom AS

Manages properties belonging to the Sparebanken Øst group.

Øst Prosjekt AS

The primary purpose is to take over projects and conduct industrial and commercial activities to secure and realize troubled engagements in the parent bank.

Strategic Ownership Interests

Frende Forsikring

Consists of the parent company Frende Holding AS, which manages ownership in its wholly-owned subsidiaries Frende Skadeforsikring AS and Frende Livsforsikring AS. The company offers insurance products for vehicles, homes and contents, boats and leisure, as well as life and health. Sparebanken Øst is the third-largest owner in Frende Holding AS with a 14.70 percent ownership stake. The bank distributes property and life insurance products to businesses and individuals through Frende.

Norne Securities AS

A securities firm involved in primary and secondary trading of financial instruments and financial advisory services. The company offers stock and fund trading online, as well as investment banking. Sparebanken Øst holds a 2.15 percent ownership stake in the company. The bank distributes stock and fund savings to businesses and individuals through Norne, with Norne's savings platform available via the bank's online and mobile banking services.

Vipps Holding AS

Owns the wholly-owned subsidiary BankID BankAxept AS and is the majority owner of Vipps MobilePay AS. The ownership combines the strong brands Vipps, MobilePay, BankID, and BankAxept. The companies are leading players in the Nordics in payments and identification, continuously challenging the established systems and creating new simplifications. Vipps Holding AS is owned by the Norwegian banking industry, and Sparebanken Øst holds a 0.72 percent ownership stake in Vipps Holding AS.

Dialog Eiendomsmegling AS

One of the largest real estate agents in the Drammen region, primarily operating in Buskerud and northern Vestfold. Sparebanken Øst is the second-largest owner with a 35.9 percent ownership stake.

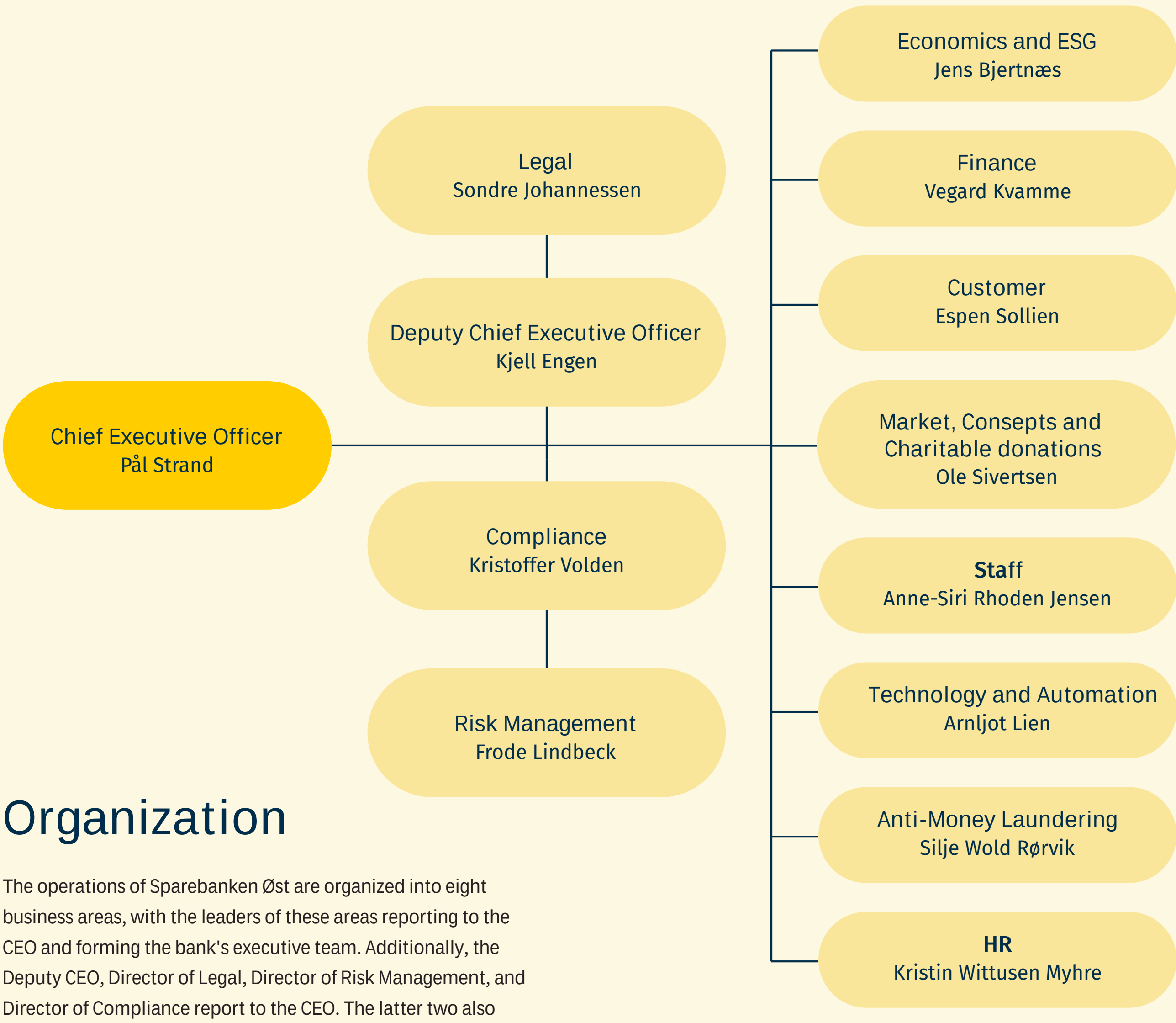
Kraft Bank ASA

Bank som hjelper privatpersoner som sliter med en vanskelig økonomi gjennom å tilby refinansiering av lån med sikkerhet i bolig og gi gode råd på veien videre mot en friskmeldt økonomi. Til kunder som allerede god økonomi, tilbyr selskapet i tillegg spareprodukter. Sparebanken Øst ble eier i selskapet i 2018 og har en eierandel på 6,85 prosent.

NBX AS

A Norwegian cryptocurrency exchange for buying, selling, and storing cryptocurrencies. The company is registered with the Financial Supervisory Authority of Norway. NBX builds its services on future financial infrastructure and currently operates as a trading platform for cryptocurrencies. Sparebanken Øst became a shareholder in the company in 2019 and holds a 4.99 percent ownership stake in NBX AS. The bank's ownership in NBX is strategically oriented towards gaining knowledge about digital developments in the financial industry and learning from disruptive initiatives to stay wellpositioned in the competition for future customers.

The board and management



Organization

The operations of Sparebanken Øst are organized into eight business areas, with the leaders of these areas reporting to the CEO and forming the bank's executive team. Additionally, the Deputy CEO, Director of Legal, Director of Risk Management, and Director of Compliance report to the CEO. The latter two also report directly to the board and have the right to attend executive meetings.

The Customer business area serves the bank's customers in both the corporate and retail markets, while the Marketing, Concepts, and Charitable Donations department is responsible for the bank's digital customer and service concepts. The bank's sustainability efforts are organized under the Economic department. Other business areas consist partly of staff and support functions, as well as departments that perform operational tasks and services, providing professional support to the bank and its subsidiaries within their respective areas.

	Antall ansatte	Endring fra 2023
Employees of Sparebanken Øst	175	-5
Employees of subsidiary	16	-1
Employees of the group	192	-6

Management of Sparebanken Øst

Pål Strand

Born 1965

Chief Executive Officer

Various functions and roles in the bank since 1984, including Director of Personal and Business Markets and Deputy CEO. Also has experience as CEO of Dialog Eiendomsmegling AS. Holds a degree in Business Economics and a Bachelor of Management from BI Norwegian Business School.

Number of equity certificates *: 41.203

Kjell Engen

Born 1969

Deputy CEO

Deputy CEO since 2009. Various functions and roles in Sparebanken Øst since 2003, including CFO from 2008 to 2017. Previously worked at the Financial Supervisory Authority of Norway (Finanstilsynet) and DNB. Holds a Master's degree in Economics and Business Administration from BI Norwegian Business School.

Number of equity certificates *: 802

Jens Bjertnæs

Born 1985

Economics and ESG

Director of Economics and ESG since 2024. Auditor at Ernst & Young AS from 2011 to 2018. Various roles within finance and accounting at NRC Group ASA from 2018 to 2024. Master of Economics and Master's in Auditing and Accounting from BI Norwegian Business School.

Number of equity certificates *: 873

Espen Sollien

Born 1969

Customer

Director of Customer Division since 2023. Former CEO of AS Financiering (2012–2022) and Director of Insurance and Cross-Sales at Sparebanken Øst (2007–2012). Previous experience from Ford Credit Europe Bank and AXA. MSc in Business from BI Norwegian Business School.

Number of equity certificates *: 1.203

Anne-Siri Rhoden Jensen

Born 1961

Staff

Has held various roles in the bank since 1985, including as part of the management in two previous periods. Experience from both the corporate and retail markets, most recently as head of the credit area in the retail market. Holds a degree in business economics from BI.

Number of equity certificates *: 1.619

Kristin Wittusen Myhre

Born 1975

HR

Director of HR since 2015, with various roles in the bank since 1998. Former biomedical laboratory scientist (1995–1998). Degrees in Economics and Administration, and Biomedical Laboratory Science from Trondheim.

Number of equity certificates *: 1.203

Vegard Kvamme

Born 1975

Finans

Employed at Sparebanken Øst since 2002. Head of Finance since 2010 and CEO of Sparebanken Øst Boligkreditt AS since 2016. Master of Economics from the Norwegian School of Economics (Handelshøyskolen BI) and Master of Information Technology from the University of Newcastle, Australia.

Number of equity certificates *: 3.603

Ole Sivertsen

Born 1979

Market, Consepts and Charitable donations

Director of Marketing at the bank since 2021. Previous experience from Mediehuset Drammens Tidende, Commercial Manager at Mjøndalen IF Football, and Advisor at NYG. Holds a degree in Media Studies from NTNU.

Number of equity certificates *: 1.203

Arnljot Lien

Born 1965

Technology and Automation

Has been with the bank since 2001 and Director of Technology and Automation since 2019. Previously held tech leadership roles in the food industry. Holds a degree in business economics and has completed management courses at BI and Folkeuniversitetet.

Number of equity certificates *: 1.203

Silje Wold Rørvik

Born 1983

Anti-Money Laundering

Operational Anti-Money Laundering Officer, and Head of Debt Collection at Sparebanken Øst since March 2022. Former legal advisor for the Norwegian Tax Administration and the Police from 2008 to 2020. Master of Laws (LL.M.) from UiT – The Arctic University of Norway.

Number of equity certificates *: 987

**Number of equity certificates in Sparebanken Øst as of 31 December 2024, including equity certificates held by related parties.*

Board of Directors of Sparebanken Øst

Øivind Andersson

Born 1956

Chairman

Certified public accountant from the Norwegian School of Economics.

Managing Director and owner of Vin AS. Board member since 2015, Chairman since 2017. Member of the remuneration and audit & risk committees.

Number of board meetings : 27 av 27

Number of equity certificates*: 75.000

Cecilie Hagby

Born 1966

Deputy Chairman

Master's degree in Civil Engineering from NTNU. CEO of Norsk Betongforening and employed at Tekna. Vice Chairman since 2020 and Board member since 2018. Chair of the Compensation Committee and the Audit and Risk Committee.

Number of board meetings : 26 av 27

Number of equity certificates*: 0

Lina Andal Sørby

Born 1986

Master's degree in Industrial Economics from the Norwegian University of Life Sciences. Operates a farm with dairy, beef cattle, and grain production. Board member since 2022, member of the Audit and Risk Committee.

Number of board meetings : 27 av 27

Number of equity certificates*: 4.543

Jorund Rønning Indrelid

Born 1959

Education in economics and engineering. Owner and CEO since 1987 of the construction and real estate company Hobbelstad and Rønning AS. Board member since 2019. Member of the Remuneration Committee.

Number of board meetings : 27 av 27

Number of equity certificates*: 34.485

Arne K. Stokke

Born 1946

Law graduate with a law license. Experience as a judicial assistant and lawyer. Employed as a lawyer at Sparebanken Øst from 1996 to 2013. Board member since 2019. Member of the Audit and Risk Committee.

Number of board meetings : 27 av 27

Number of equity certificates*: 6.012

Ole B. Hoen

Born 1976

Master of Science in Industrial Engineering from the Norwegian University of Life Sciences. Head of Industrial Innovation Center at Kongsberg Innovation AS. Board member since 2021. Member of the Audit and Risk Committee.

Number of board meetings : 26 av 27

Number of equity certificates*: 52.619

Håvard Saastad

Born 1983

Education in Business,Service, and Logistics from the University College of Harstad. Union representative and authorized financial advisor at Sparebanken Øst. Work experience in banking and insurance. Employee-elected board member since 2022.

Number of board meetings : 26 av 27

Number of equity certificates*: 3.203

Sissel Album Fjeld

Born 1959

Education from Drammen Commercial College. Currently serving as the chief union representative and marketing consultant at Sparebanken Øst. Employee-elected board member since 2019. Member of the remuneration committee.

Number of board meetings : 26 av 27

Number of equity certificates*: 3.378

**Number of equity certificates in Sparebanken Øst as of 31 December 2024, including equity certificates held by related parties.*

Gifts for charitable purposes

When children, young people, and adults are given the opportunity to pursue their dreams, it creates a ripple effect throughout the entire community. We support the inspiring projects that strengthen the sense of belonging.

Sparebanken Øst has a passionate commitment to our local communities. That's why we support everything from sports and theater to local history and social initiatives in our hometown. This way, we offer more people the chance to grow, create, and experience a sense of belonging.

Closer to an arena for everyone

For us, sports is about children with stars in their eyes tying up their football boots, volunteers keeping things running with waffles and smiles, and young people shining on the field and growing as individuals.

Some aim for the top, while others simply want to experience camaraderie and activity in their everyday lives. At the same time, we send a big thank you to the volunteers, without them, everything comes to a halt. We want to help make their everyday lives easier, so that children have more safe places to play, learn, and laugh together.

While some find achievement and community on the sports field, others dream of performing in theater or standing on a concert stage. We support local theater groups and cultural initiatives because we see the joy in the faces of those who dare to take the stage for the very first time. Through our support, young people are given a safe space to grow, with skilled instructors and authentic performances. Whether the journey ahead leads to a career or just a cherished memory, this fosters confidence, inspiration, and new opportunities.

We want to highlight everyday heroes and passionate individuals who do everything they can to bring others closer to their dreams.

Every time we share our profits it's about supporting dedicated people who create new opportunities in our local community, whether it's in sports and culture, or services for those facing challenging everyday lives. Together with volunteer associations and organizations, we provide children and young people with more spaces where they can grow.

«Bringing people into nature and the local community creates joy, a sense of belonging, and memories for life»

Closer to meaningful experiences

To get people active and enjoy what the local community has to offer, we developed the «Opplevelsesbanken», a free app filled with local hikes, activities, and cultural events in Drammen and Øvre Eiker. For us, it's important to get people off the couch. We want to inspire people to discover local gems, whether it's an unknown trail, a scenic swimming spot, or a new place for fun and play. Getting people out into nature and the community brings joy, connection, and lifelong memories. It creates positive ripple effects, and best of all, it brings us closer together.

Charitable donations should be a gateway to dreams, hope, and new opportunities. For Sparebanken Øst, it's about providing space and opportunities where they're needed, so that together with the local community, we can improve life for everyone.

Gifts for charitable purposes

As an independent foundation, Sparebanken Øst has built a solid equity base over nearly 200 years of banking history. A large portion of the bank's profits is allocated to charitable purposes. These funds are intended to benefit the public. Over time, the funds are directed towards organizations and projects aimed at supporting community spirit, idealists, and other causes that contribute to positive social development.

Initiatives specifically targeting children, youth, and vulnerable groups are given priority. The bank is committed to ensuring that the support has genuine societal value and that the funds reach a wide audience. The recipients are diverse, including those in culture, volunteerism, preservation of buildings and memories, financial awareness, and sports.

It all started in 1843 when 261 residents of Eger Præstegjæld made capital available to establish Egers Sparebank. Since then, the capital has grown from just a few specie dollars to a significant amount, and by the end of 2024 (the most recent fiscal year), the foundation now amounts to 2.6 billion NOK. This long-term capital is a core part of the bank's sustainable operations, and helps us continue to provide room for charitable donations and support those who bring people closer to their dreams.

Categories

Sprout it's about bringing people closer to their dreams, whether those dreams are related to sports, culture, or a safe start to adulthood.
Sprout ensures that volunteer clubs and associations receive stable, long-term support so that children and youth can find a place where they can thrive.

Leap gives young talents an extra boost so they can develop and perhaps reach new heights.

Horizon ensures that more tenth graders learn about personal finance, giving them the tools they need to shape their own future with heads held high and dreams intact.

Memories ensures the purchase, preservation, and management of historically valuable buildings and artifacts so that local stories are not forgotten. Whether it's renovating the old Tingstua in Øvre Eiker or acquiring historical glass art, we aim to protect the heritage that has shaped our communities. This way, future generations gain insight into traditions and roots, and we come closer to understanding who we are, and where we come from.

Agenda Øst helps ensure that culture is for everyone. That's why we support everything from free Christmas concerts to family performances like «Jakten på Juleskurken» at Drammen Theatre. Whether you're a customer of the bank or not, you should be able to join in and experience a sense of belonging in the local community. By collaborating with local stakeholders in the arts and culture, we contribute to filling everyday life with more creativity, more meeting places, and not least, a sense of being part of something bigger. This not only creates great memories but also fosters hope for the future and a sense of belonging for generations to come.

Over **1,000**
Tenth graders
Have received practical training in personal finance

Financial *security* for youth

Through our collaboration with Ungt Entrepreneurship, over 1,000 tenth graders annually receive practical guidance in personal finance. Our employees provide students with knowledge about budgeting, saving, and financial decisions, all with the goal of strengthening their confidence and ability to make wise financial choices in the future. Feedback from both students and teachers shows that this education contributes to a better understanding and preparation for adult life.

Over ***20,000***
Children and youth are given the opportunity to develop physically and socially

Sports that *unite* and *strengthen* the local community

Through our collaboration with 15 sports clubs, over 20,000 children and youth have the opportunity to develop both physically and socially. Sports provide a space for achievement, joy, and friendship, while also creating safe networks where everyone can participate, regardless of their starting point. The combination of elite sports and grassroots sports inspires and strengthens each other, while the efforts of volunteers ensure that sports remain an important part of daily life in the local community.

A ten-year tradition of *hope* and *joy*

Meeting people with warmth and respect has been at the core of our collaboration with The Salvation Army (Frelsesarmeen) for over a decade. Whether it's through distributing Christmas gifts, helping children join recreational activities, or providing food to families in difficult times, it's about contributing to a daily life with more dignity and fewer worries. This year, we showcased this work with the #julesløyfeaksjonen, a symbol of care and community, both in the cityscape of Drammen, in Hokksund, and on social media.

We launched **#julesløyfeaksjonen** As a symbol of care and community

Christmas concerts ***unite thousands*** before Christmas

I 2024 samlet vi over ***3.500 mennesker*** til åtte gratiskonserter

Sparebanken Øst's Christmas concerts have for over two decades, become a cherished tradition that brings holiday spirit and a sense of community. In 2024, we gathered over 3,500 people for eight free concerts, where Silje Nergaard and Frode Alnæs created the Christmas atmosphere in four local churches in Drammen, Nedre Eiker, Vestfossen, and Røyken. This has become a tradition we are proud of, a gift to the local community that creates memories and unity.

Sustainability

Content

Sparebanken Øst's sustainability work

2024 was the warmest year ever recorded on Earth. The consequences of climate change have fully manifested worldwide, including in Sparebanken Øst's local market area, where we have also experienced instances of extreme rainfall and flooding in 2024. In order to limit climate change in the future, we must, like other stakeholders, contribute to a sustainable transition.

Sparebanken Øst as a local savings bank, has a role in directing financial resources towards contributing to the transition to a low-carbon and circular economy. We have set an ambitious goal of achieving net zero emissions by 2050. Therefore, we are actively working to integrate sustainability into all aspects of our business. This supports our strategic ambitions to create great customer experiences, ensure compliance, and deliver on financial goals. Over the next few years, we will continue to support and collaborate with our customers in a managed transition through information and knowledge sharing. The bank’s primary influence on customers occurs through its credit policy and the requirements the bank sets for its customers. We will primarily use positive influence, but Sparebanken Øst has defined certain sectors and activities that the bank does not wish to finance in the future. These are activities that have a highly negative impact on the environment, society, or people. The industries and activities covered by the exclusion criteria are: coal mining or coal-based energy production, controversial weapons, tobacco, pornography, oil sands/tar sands, shale oil and shale gas, and oil and gas extraction in the Arctic. We will expand our sustainable products and strengthen our expertise in sustainability. Additionally, we will continue collaborating with local partners in our network to support the necessary transition of the local community. The bank will continue to make a significant contribution to both environmental and social development projects in the region through our cheitable fund. The sustainability perspective plays a key role in selecting the recipients of financial support.

The UN Sustainable Development Goals

The bank operates in accordance with the UN Sustainable Development Goals, which serve as the world's shared action plan to eradicate poverty, reduce inequality, and combat climate change by 2030. The goals consist of 17 main objectives and 169 targets. They are intended to provide a common global direction for countries, businesses, and civil society. Sparebanken Øst prioritizes four of these goals and will later in the report explain how we work to fulfill these ambitions.

QUALITY EDUCATION
Ensure inclusive, equitable, and quality education and promote lifelong learning opportunities for all.

CILMATE ACTION
Promote sustained, inclusive, and sustainable economic growth, full employment, and decent work for all.

DECENT WORK AND ECONOMIC GROWTH
Take urgent action to combat climate change and its impacts.

PEACE, JUSTICE AND STRON INSTITUTIONS
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels.

The term “sustainable development” was first used in 1987 in the UN report “Our Common Future”. Sustainable development is defined there as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.
Sustainability involves three dimensions: environmental sustainability, social sustainability, and economic sustainability. When we talk about the environmental dimension of sustainable development, it’s about taking care of nature and the climate. The social aspect of sustainability is about ensuring that all people have a fair and solid foundation for a decent life. The economic dimension focuses on securing economic stability for individuals and communities.

Organization of sustainability work within the bank

The board of the bank plays a key role in driving the necessary green transition. They have the overall responsibility for sustainability at Sparebanken Øst and make strategic sustainability decisions for the bank. The board is kept regularly informed about climate-related issues in society and within the regulatory framework. In 2023, the board adopted the bank's targets for 2030, and all board members have completed sustainability training along with the bank's employees.

All department heads in the bank's management team are responsible for achieving the goals in the bank's sustainability strategy. In daily operations, the sustainability work is organized under the Economics and ESG department, with the Deputy CEO also actively involved in the bank's sustainability efforts through professional contributions as well as external communication with investors and stakeholder groups. Both of these leaders report to the bank's CEO.

The Head of the Economics and ESG department and the Deputy CEO are responsible for identifying necessary ESG measures, ensuring that relevant ESG tasks are delegated to various departments, and following up to ensure that necessary actions are implemented. The bank organizes development work in the ESG field through working groups that encompass multiple business areas within the bank. Among the areas with the greatest development in the bank's ESG work in 2024 are the systematization, automation, and reporting of physical risk and emissions in the retail and corporate portfolios, respectively.

The bank's subsidiary, AS Financiering, is a financing company that provides loans for vehicles with a security interest in the loan object. The subsidiary consists of 15 employees and has a portfolio of just under 3 billion. AS Financiering is included in the bank's sustainability efforts, including the sustainability report. For the topics where AS Financiering is not specifically commented on, the bank's reporting also applies to AS Financiering.

RULES AND GRUIDELINES

UN Sustainable Development Goals	Goals nr. 4, 8, 13, 16
UN Global Compact	Principles 7 og 8
GRI Indicator	2.09 and 2.14
TCFD	Corporate Governance

Overall Goal: Net Zero Emissions by 2050

Net zero emissions means reducing greenhouse gas emissions as close to zero as possible, with any remaining emissions being absorbed from the atmosphere, for example, by oceans and forests.

**Measured against the 2019 baseline year*

Interim Targets by 2030*

- **25% reduction in CO_2 emissions across the total portfolio**
- **50% reduction in internal CO_2 emissions**
- **50% increase in the share of green loans**

The energy sector accounts for about three-quarters of global greenhouse gas emissions and plays a crucial role in preventing the worst effects of climate change. The bank aims to reduce both its own and financed emissions and has adopted the goal of achieving net zero emissions by 2050. In 2023, we set interim targets for the bank to reach by 2030.

The targets are based on the assumption that the banking industry maintains similar goals over time, and that Norwegian authorities establish a credible and detailed plan to achieve the net zero emissions target. Authorities are also expected to build trust in the plan among investors, industries, the public, and other countries. The plan is assumed to be based on recognized climate scenarios (IEA).

Sparebanken Øst shall:

- Identify significant sustainability risks and opportunities among our customers, ensuring that key sustainability factors influence our offerings.
- Integrate the sustainability perspective into our risk reporting.
- Report to our stakeholders in an honest and credible manner on how we manage sustainability.
- Be an attractive partner and financial advisor for customers' sustainable projects and solutions.
- Offer green products and concepts to customers who prioritize sustainability.
- Lead by example by maintaining control over internal processes and operations, setting requirements for suppliers and partners, and acting with credibility.
- Be recognized as a bank that is honest and transparent, including in its approach to sustainability.

The bank has implemented several measures over time to reduce emissions. We have gradually phased out the purchase of vehicles using fossil fuels in favor of electric cars. As a result, the bank had 15 electric vehicles in 2024, compared to 7 company cars running on diesel and gasoline, in addition to maintenance vehicles. In the coming years, the goal is for all of the bank's vehicles to be replaced with hybrid and electric cars. At our headquarters in Drammen, the ventilation system has been replaced with a new, energy-efficient system that requires significantly less electricity. Training, seminars, and meetings are largely held digitally.

To achieve our interim targets by 2030, the bank will set new concrete measures for these goals. This work was initiated in 2024 and will continue in 2025, alongside the work on a double materiality analysis, in line with the mandatory reporting requirements of the Corporate Sustainability Reporting Directive (CSRD) for the bank's financial year 2025. In 2025, the bank will continue working on a transition plan, which includes setting updated emission reduction targets in line with the methodology from the Science Based Targets Initiative (SBTi) or equivalent. The bank seeks broad support for the measures, along with the associated consequences and the reduced emissions that these measures will result in.

RULES AND GRUIDELINES

UN Sustainable Development Goals	Goals nr. 13
UN Global Compact	Principles 7 og 8
GRI Indicator	305.5 2.14
TCFD	Goals and methods

Guideline supported by the bank

NCGB

In line with the recommendations of the Norwegian Corporate Governance Board (NCGB), this section of the report outlines our continuous efforts to identify and address key non-financial topics and their impact on Sparebanken Øst's operations. For more details, refer to the NCGB section in the chapter on Implementation and Reporting on *Corporate Governance.*

GRI

Sparebanken Øst reports in accordance with the GRI Standards (Global Reporting Initiative). Guidelines from the Oslo Stock Exchange/Euronext for ESG reporting refer to this standard. The report has been prepared in the best possible way based on the assumptions applicable to Sparebanken Øst. There may be areas in the report that do not fully meet all the requirements of the GRI Standards at this time.

CSRD (Corporate Sustainability Reporting Directive)

The bank is required to report on sustainability in accordance with the CSRD for the financial year 2025. The CSRD stipulates that businesses must report their sustainability information in line with the European Sustainability Reporting Standards (ESRS).

UN Global Compact

UN Global Compact is a voluntary initiative launched by the UN in 2000 to encourage businesses worldwide to adopt sustainable and socially responsible guidelines and practices. The initiative provides a framework for companies to align their strategies and operations with universal principles on human rights, labor, environment, and anti-corruption, and to implement actions that promote societal goals. Companies that join the UN Global Compact commit to implementing its ten principles in their business operations and reporting on their progress. Sparebanken Øst is a member of the UN Global Compact, and how we comply with the principles is outlined in the report.

TCFD

Sparebanken Øst supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and has worked to integrate this framework into the bank's efforts and reporting on climate risk. Moving forward, we will look towards the CSRD, which will encompass the recommendations of TCFD.

PCAF

To achieve our goal of net zero emissions by 2050, the bank is a member of PCAF (Partnership for Carbon Accounting Financials). PCAF is a collaboration among financial institutions aimed at creating systematic reporting on financed emissions. Membership provides the bank with valuable insights into climate mapping, and in 2024, the bank has calculated the greenhouse gas emissions in its portfolio based on this framework.

PBAF

An important part of our future sustainability work will involve mapping our own and our corporate clients' impact on nature and biodiversity. Therefore, in 2023, we became a supporting member of PBAF (Partnership for Biodiversity Accounting Financials).

TNFD

To receive support for risk assessments and reporting on nature, the bank has joined TNFD (Task Force on Nature-related Financial Disclosures).

RULES AND GUIDELINES

UN Sustainable Development Goals	Goal nr. 8, 13 og 16
UN Global Compact	Principles 1-10
GRI Indicator	2.28

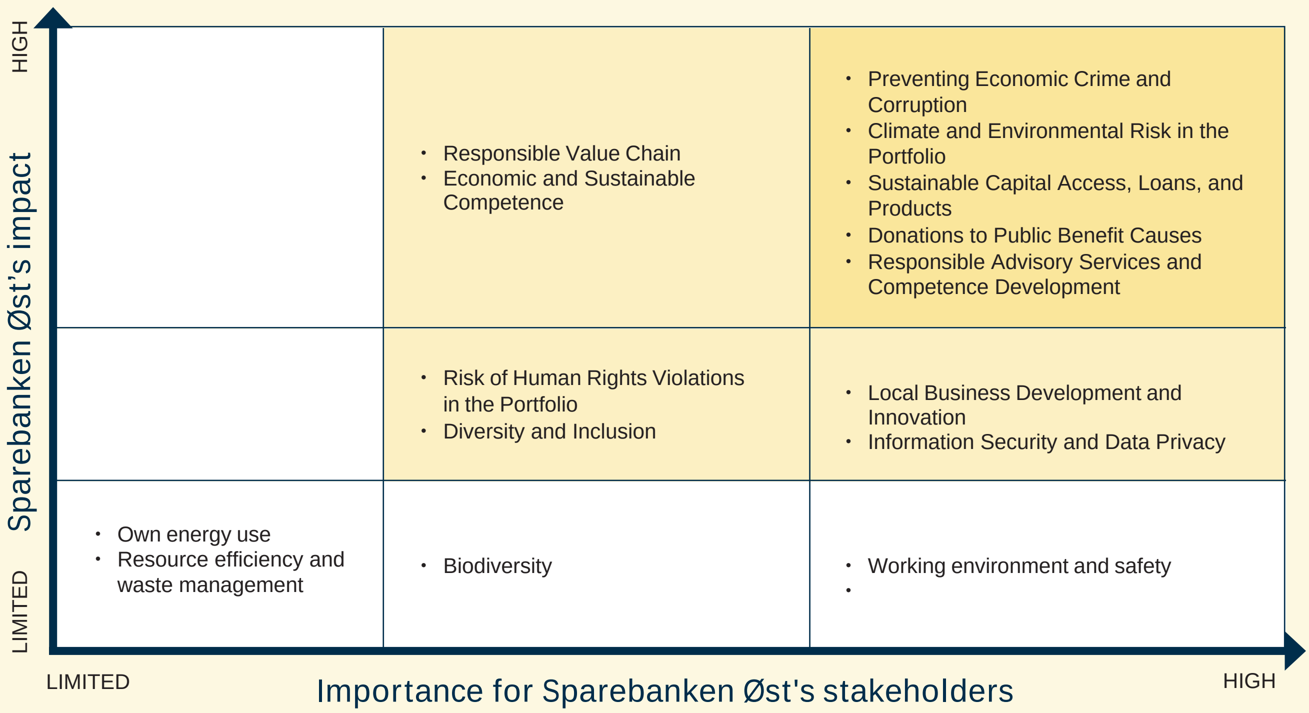
Under each topic in the report, we have listed the relevant rules and guidelines that apply to the area in tables.

What is important and what we can influence

To prioritize the areas where the bank can actually make a difference, Sparebanken Øst has conducted a materiality analysis.

The materiality analysis forms the basis for our future work in sustainability. How we prioritize actions and integrate sustainability into our business will be rooted in our vision, ambition, long-term goals, and values, and thus within our overall strategic framework.

The materiality analysis outlines topics where Sparebanken Øst believes we have an opportunity to influence our stakeholders, as well as the level of importance these topics may have for society, customers, and employees. In 2025, the bank will conduct a double materiality analysis in line with the CSRD, highlighting both the bank's impact on society, the factors influencing the bank, and how these affect financial materiality.



RULES AND GUIDELINES

UN Sustainable Development Goals	Goal nr. 4, 8, 13 og 16
GRI Indicator	3.1, 3.2 og 3.3
TCFD	Corporate Governance

Areas where we can contribute to a sustainable future:

- Climate and enviroment
- Human rights, diversity, and inclusion
- Efforts against economic crime and protection of privacy

Climate and enviroment

Reducing emissions in our operations and portfolio is a priority area for the bank and supports the UN Sustainable Development Goal No. 13: "Climate action". This area covers our ability and efforts to reduce the greenhouse gas emissions directly generated by the bank's operations, as well as the emissions created by the companies and projects we finance.

In 2025, we will work on a transition plan for the bank, which will include setting updated emission reduction targets in line with the methodology from the Science Based Targets Initiative (SBTi) or similar frameworks. Through new actions, Sparebanken Øst aims to reduce our impact on climate change and support the transition to a low-carbon economy.

To achieve the goal of contributing to stopping climate change, Sparebanken Øst is working within the following areas:

- Climate and environmental risk in the portfolio
- The bank's climate report: Own and financed emissions
- The EU taxonomy
- Sustainable access to capital, loans, and products
- Economic and sustainability expertise
- Local business development and innovation
- Biodiversity
- Resource efficiency and waste management

Climate and environmental risk in the portfolio

The bank is exposed to several sustainability-related risks, including physical climate risk, transition risk, and nature-related risk. Physical climate risk concerns how climate change affects us.
For example, extreme weather could damage the bank's premises or cause disruptions in our value chain. In our customer portfolio, we have both residential properties and commercial buildings that could be directly affected by extreme weather. The bank is also exposed to transition risk. This concerns all the risks associated with the transition to a low-carbon society. For example, the bank will need to comply with new sustainability reporting requirements and consider changes in consumer behavior due to the green shift. Loss of nature and biodiversity, as well as regulations and measures to halt nature loss,also represent a sustainability risk for the bank. As a financial institution, we must ensure that our operations do not contribute to nature loss and include nature-related risks in our financial assessments.

Mapping the sustainability maturity of corporate clients

As a savings bank, our greatest opportunity for influence lies in close dialogue with our business clients, supporting them in making sustainable choices. Our ambition is to be a driving force and motivator for our clients' transition to sustainable operations. In 2024, we launched a guide designed to help our business clients get started with their sustainability efforts within their operations.

Sparebanken Øst assesses the sustainability maturity of its coporate clients. This refers to their maturity in areas such as climate and environment, social issues, and corporate governance. The sustainability field is continuously evolving, which means we must periodically update the parameters in our client assessments to reflect market changes and new regulations. The methodology for these assessments was developed in 2024, and comparable figures for 2023 are therefore not presented. Clients are categorized into low, moderate, or high maturity levels.

At the end of 2024, the assessment shows that there are very few clients with low sustainability maturity in the bank's corporate portfolio.

Sustainability Maturity of Corporate Clients	2024
High Maturity	33,7 %
Moderate Maturity	64,6 %
Low Maturity	1,7 %

The table above shows that in the assessment of the bank's business portfolio, 1.7% of clients have been identified with low sustainability maturity. The three corporate client groups in question are considered to have low maturity, particularly regarding environmental, social, and governance factors.

As a general policy, we will not onboard new clients with low sustainability maturity. For the clients already in our portfolio, we will focus on implementing measures to support and improve their sustainability practices.

Only engagements over 2 million NOK have been assessed. This is because smaller engagements under 2 million NOK are difficult to evaluate in line with the intended approach.

Climate risk in the residential property portfolio

Sparebanken Øst primarily offers financing for residential properties in the central Eastern Norway region. The bank's local area includes the municipalities of Drammen and Øvre Eiker,which are particularly vulnerable to flooding due to their proximity to watercourses. This was notably evident during the major flood event "Hans" in the fall of 2023, which impacted several of our local areas.

To assess climate risk in our mortgage portfolio, we have mapped our financed properties for physical climate risk. The Norwegian Water Resources and Energy Directorate (NVE) has developed a national dataset that provides an overview of areas potentially exposed to physical climate risks. NVE's assessments indicate whether properties lie within risk zones for flooding,landslides, or rising sea levels. However, these evaluations are based on areas rather than individual properties, and do not account for specific local mitigation measures. The bank accesses NVE's assessments on mortgaged properties through Eiendomsverdi AS. The table presented here provides an overview of indications of physical climate risk in our portfolio based on the aforementioned data, rather than exact figures.

The data from Eiendomsverdi is continuously being developed, and therefore the table shown in last year's annual report cannot be carried forward in the same way as before. In 2024, Eiendomsverdi expanded its offering to include an overview of properties exposed to surface water flooding. Thirty-three percent of Norwegian homes are exposed to surface water, which aligns well with the bank's portfolio. Including exposure to surface water,the number of mortgaged properties falling within the risk categories is significantly higher than the number reported under the risk categories in the 2023 annual report methodology. As a result, the bank has chosen to report figures both with and without surface water exposure.

As the table below shows, 13.8% of the bank's financed residential properties as of December 31, 2024, are exposed to physical climate risks, excluding surface water flooding. Flooding and landslides have been identified as the largest physical climate risks in the bank's region, excluding surface water, and we will therefore remain particularly attentive to such hazards in the mapping and risk assessments of financed homes located in vulnerable areas, including homes within a defined level of caution.

In Note 5 on page 103, we have provided a more detailed overview of climate risk in the portfolio, where we have categorized the climate risks as high, medium, low, or no climate risk. The note includes tables with the new methodology, both with and without surface water flooding, as well as last year's tables with updated figures for comparison purposes.

Data as of 31.12.24	Number		Share	
Types of climate risk	Properties Exposed to Climate Risk (Including Surface Water)	Properties Exposed to Climate Risk (Excluding Surface Water)	Properties Exposed to Climate Risk (Including Surface Water)	Properties Exposed to Climate Risk (Excluding Surface Water)
Surface Water	5 734	0	35,9 %	0,0 %
Flood	1 109	1109	6,9 %	6,9 %
Landslide	777	777	4,9 %	4,9 %
Sea Level Rise	242	242	1,5 %	1,5 %
Surface Water + Flood	189	0	1,2 %	0,0 %
Surface Water + Landslides	108	0	0,7 %	0,0 %
Surface Water + Sea Level rise	29	0	0,2 %	0,0 %
Flood + Landslides	33	33	0,2 %	0,2 %
Flood + Sea Level Rise	40	40	0,3 %	0,3 %
Landslides + Sea Level Rise	5	5	0,0 %	0,0 %
3 or 4 categories	14	2	0,1 %	0,0 %
Total with Climate Risk	8 280	2 208	51,8 %	13,8 %
Total without Climate risk	7713	13 785	48,2 %	86,2 %
Total	15 993	15 993	100,0%	100,0%

The numbers from NVE and Eiendomsverdi are a valuable contribution to our work on climate risk assessments. Furthermore, we have developed a guide for our private customers that provides tips and advice on climate risk, how to upgrade to a more energy-efficient home, and general tips for a greener everyday life as part of our sustainability advisory services.

Water

Sparebanken Øst is committed to the sustainable use of water. By this, the bank refers to how water is extracted, treated, and utilized. At the same time, water must be used in a way that ensures it remains a renewable resource and that its quality is not degraded. The bank does not currently consider water as a risk factor in its analyses. The bank does not use large amounts of water today. From the bank's total water consumption, it is evident that our business clients account for the largest estimated water usage. We are currently mapping the water consumption of our business clients as part of the credit process, engaging in dialogue about water management to ensure that clients do not have disproportionately high water consumption or cause pollution of water sources. Through collaboration with our clients, the bank aims to encourage, where relevant, the reduction of water usage.

RULES AND GUIDELINES

UN Sustainable Development Goals	Goal nr. 13
UN Global Compact	Principles 7-9
GRI-indicators	201-2, 303-1, 303-5
PCAF	Measuring Greenhouse Gas Emissions
TCFD	Net Zero Emissions by 2050, Assessment of Climate Risk

Bank’s Carbon Footprint

The bank has set a goal to reduce its emissions from its operations by 50% by 2030. As a consultancy, the bank does not have direct production emissions. Therefore, our own emissions primarily relate to transport and electricity consumption in our buildings. To offset emissions from electricity, we have purchased renewable energy certificates for all electricity used in our offices. Additionally, two of our offices use district heating.

The bank's energy consumption is considered relatively modest. Over time, the bank has implemented several measures to reduce emissions, including gradually phasing out the purchase of vehicles that run on fossil fuels.

The following carbon footprint includes Sparebanken Øst and its subsidiary, AS Financiering's greenhouse gas emissions, as well as the bank's financed emissions in scope 3.

		2022		2023		2024	
Kategori	Unit	Number of Units	Emissions	Number of Units	Emissions	Number of Units	Emissions
Transport - company cars, maintenance vehicles			(tCO2e)		(tCO2e)		(tCO2e)
Gasoline	Liter	106	0,2	316	0,7	599	1,4
Diesel	Liter	3.502	9,4	8.634	23,2	7.071	19,0
Electric vechicle	kWh	5.312	2,1	4.707	0,9	4.890	0,9
Scope 1 total			11,7		24,8		21,3
District heating Norge							
District heating Bragernes	kWh	259.700	4,7	220.440	0,9	125.350	0,5
District heating Vestfossen	kWh	49.561	0,6	63.216	0,8	56.242	0,8
District heating total	kWh	309.261	5,3	283.656	1,7	181.592	1,3
Electricity Norge							
Electricity total	kWh	1.134.450	0,0	1.079.961	0,0	1.050.743	0,0
Scope 2 total			5,3		1,7		1,3
Air travel							
Air travel Norge	Km	12.620	3,0	13.764	3,3	11.380	2,7
Air travel Norden	Km	4.276	1,0	55.411	13,3	12.855	3,1
Air travel Europa	Km	8.948	2,1	40.834	9,8	36.318	8,7
Employee mileage allowance							
Gasoline	Liter	1.957	4,5	3731	8,6	4.001	9,2
Diesel	Liter	986	2,6	1748	4,7	575	1,5
Electric vechicle	kWh	5.119	2,1	6670	1,3	7.910	1,5
Financed emissions							
Residential properties					2.423*		2.402
Business clients					62.566**		60.547
Vehicles					21.078		20.102
Scope 3 total			15,2		86.108,0		83.077,7
Total emissions			32,2		86.134,5		83.100,3

**The numbers for 2023 have been revised based on the most recent calculation methodology from Eiendomsverdi in 2024, in accordance with data quality level 3.*

***The numbers for 2023 have been revised based on the latest updated calculation methodology from PCAF in 2024, in accordance with data quality level 5. Unlike the reported figures for 2023, these numbers now also include scope 3 emissions within financed emissions, meaning our customers' estimated scope 3 emissions. This is in line with the recommendation from Finance Norway.*

Scope 1

- Transport: This includes the fuel consumption of gasoline, diesel, and electricity for company cars and maintenance vehicles. For the company cars where the bank currently only has information on the amount spent on fuel and electricity, an average price of NOK 20.9 per liter for gasoline, NOK 21.1 per liter for diesel, and NOK 1.98 per kWh for electricity has been used. It is assumed that 15% of the usage is related to work for regular company cars, while 100% of the usage is accounted for in the case of maintenance vehicles. For the carbon emissions associated with electric cars, the NVE's location-based factor of 19 g/kWh is applied.

Scope 2

- District Heating: For two of the bank's offices (Bragernes and Vestfossen), district heating is used for heating. For the Vestfossen office, an emission factor of 14.0 gCO2 /kWh is used. For the Bragernes office, an emission factor of 3.7 gCO2 /kWh is used.
- Electricity: Sparebanken Øst has purchased origin guarantees for all electricity used at our locations, and calculations are therefore based on a market-based method. By purchasing origin guarantees, our suppliers document that the electricity comes from renewable sources, ensuring that the bank's electricity consumption has no associated emissions.

Scope 3

- Air Travel Sparebanken Øst's office network is located in the Eastern Norway region, and therefore, there is little need for air travel for internal meetings. Due to the bank's central location, it is easily accessible to most of the bank's partners and contacts, resulting in a very limited number of flights. The bank strives to use digital meeting platforms wherever possible to streamline meetings and reduce emissions from air travel. For air travel, an emission factor of 0.24 kg CO2 /km, based on data from Statistics Norway (SSB), has been applied.

- Employee Transportation: Employee transportation includes mileage reimbursements paid to employees who travel for work. For gasoline cars, an emission factor of 2.31 CO2 per kilometer driven has been applied, while for diesel cars, the factor used is 2.69 per kilometer. For electric vehicles, a factor of 0.2 kWh per kilometer driven has been applied. For the carbon emissions of electric vehicles, the NVE location-based factor of 19 g/kWh has been used.

- Financed Emissions: In 2023, the bank calculated estimates for financed emissions in its portfolio for the first time. In 2023, financed emissions only included scope 1 and 2. In 2024, the calculation of financed emissions in the bank's mortgage portfolio is based on estimated energy consumption from statistics (Eiendomsverdi), while financed emissions from commercial engagements are calculated using the latest updated calculation methodology from PCAF. Following the recommendation from Finans Norge, scope 3 is also included in financed emissions from commercial engagements in 2024. For both residential and commercial engagements, we have reworked the 2023 figures in line with the most recent updated emissions methodology from Eiendomsverdi and PCAF, and according to the recommendation from Finans Norge. In the following tables, both the figures reported last year and the adjusted figures for 2023 are presented.

This year's climate report shows that our financed emissions make up the largest portion of our total greenhouse gas emissions. The bank's own emissions from scope 1, 2, and 3 are at a slightly lower level than in 2023. Total emissions are reduced by 3,034 tCO2e in 2024 due to lower financed emissions from commercial customers. Over the next few years, the bank will implement targeted measures to reduce emissions in line with the goals for 2030 and 2050.

RULES AND GUIDELINES

UN Sustainable Development Goals	13
UN Global Compact	Principles 7-9
GRI-indikator	302-1, 305-1, 305-2, 305-3 og 305-4
PCAF	Measure emissions, net zero emissions by 2050
TCFD	Goals and methods

Financed emissions

In the following section, we present the financed emissions by category and provide further information on the different categories of emissions. We also include details on the methodology and assumptions used in the calculations.

Financed emissions distributed by category

Financed emissions per category	Financed emissions in tCO_2e (scope 1-3)			Emission intensity* in tons of CO_2e / MNOK			PCAF data quality score		
	2023 (as reported)	2023 (adjusted**)	2024	2023	2023 (adjusted**)	2024	2023	2023 (adjusted**)	2024
Business customers	11.997	62.566	60.547	2,98	15,52	16,14	4,3	5	5
Private residences	3.597	2.423	2.402	0,11	0,08	0,08	4	3	3
Vehicles	21.078	21.078	20.102	7,60	7,60	7,53	2,2	2,2	2,2
total	**36.672**	**86.067**	**83.051**	**0,88**	**2,27**	**2,24**	**3,3**	**4,3**	**4,3**

**Total emissions intensity is calculated by dividing total emissions by the total financed amount, and the total data quality score is the weighted average of the data quality scores based on emissions.*
*** The figures for 2023 have been revised based on the latest updated calculation methodology from PCAF in 2024 according to data quality 5. Unlike the reported figures for 2023, these now also include scope 3 emissions within financed emissions. This is in line with the recommendation from Finans Norge.*

Methodology

The bank has used Finans Norge's guidelines for calculating financed greenhouse gas emissions, as well as recommendations from the Partnership for Carbon Accounting Financials (PCAF). PCAF provides a data quality score between 1-5 based on the data used, with 1 being the best and 5 the worst.

Under "assumptions used in the calculations," we specify which data quality score has been applied. The figures presented are estimates and should not be used for comparison with other financial institutions, as data foundations and methodologies may differ.

Business customers

The bank's business portfolio primarily consists of exposure to real estate, while the rest of the portfolio includes service industries, commercial finance, construction, retail/hotel and restaurant, transport/communication, industry and mining, power and water supply, agriculture, forestry and fishing, and public administration. The table below shows the emissions intensity for business customers financed by Sparebanken Øst, measured in tons of CO2 equivalents in total, as well as the total energy intensity of the portfolio.

	Tons of CO2e financed emissions (scope 1-3)	Emission intensity in tons of CO2e / MNOK
2023 (as reported)	11.997	2,98
2023 (adjusted*)	62.566*	15,5*
2024	60.547	16,1

*Assumptions made in the calculations:

The calculation of emissions for the business customer portfolio is based on a data quality score of 5 in PCAF's data quality hierarchy, with choice 3b, which relies on emission factors per asset for each business sector code. Emissions have been reported for corporate customers' scope 1, 2, and 3 in accordance with PCAF guidelines and recommendations from Finans Norge. PCAF's database has been used to extract emission factors for different sectors, which have been mapped to business sector codes in our data. The business sector code used is therefore a key driver for the emissions calculated, and the calculations are primarily based on our financing of each business customer and emissions per asset. The calculations should be considered as rough estimates.

**The figures for 2023 have been revised based on the latest updated calculation methodology from PCAF in 2024, in accordance with data quality 5. Unlike the reported figures for 2023, the revised figures now also include scope 3 emissions within financed emissions. This is in line with the recommendations from Finans Norge.*

Emissions in the Business Portfolio by Industry in 2024:

	Engagement (NOK millions)		Tons CO2e financed emissions scope 1-2)		Tons CO2e financed emissions (scope 3)		Tons CO2e total financed emissions		Emission intensity in tons CO2e / MNOK	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Agriculture, Forestry, Fishing etc.	109	104	20.374	18.714	9.252	8.498	29.625	27.213	271,3	262,3
Construction	612	714	1.865	2.103	21.892	24.695	23.757	26.798	38,8	37,5
Revenue and operation of real **estate**	2.919	2.584	210	180	1.187	1.016	1.396	1.196	0,5	0,5
Other Industries	391	349	3.488	1.877	4.299	3.463	7.788	5.340	19,9	15,3
total	**4.031**	**3.751**	**25.936**	**22.784**	**36.630**	**37.673**	**62.566**	**60.547**	**15,5**	**16,1**

The table shows that engagements related to agriculture, forestry, and fishing account for only 2.8% of the bank's total business engagement, while the financed emissions within this industry code account for a staggering 45% of the bank's emissions from business customersand 33% of the bank's total emissions. The financed emissions in the business portfolio are, overall,somewhat lower in 2024 compared to 2023.

Private customers

The emissions intensity for the mortgage portfolio shows emissions financed by Sparebanken Øst, measured in tons of CO2 equivalents. The emission data in the table includes estimated scope 1 and scope 2 emissions. Private housing makes up about 90% of the bank's total lending portfolio.

The figures for commercial real estate and the mortgage portfolio are reported below with calculations using both the location-based and market-based methods, according to the guidelines from Finans Norge. In the aggregated table of total emissions, only calculations using the location-based method are included. Calculations using the market-based method are included in the table.

The location-based method will show a low emissions intensity as Norway has significant access to renewable energy. Since Norway is also connected to the European power grid, it is relevant to present the figures calculated using the market-based emissions factor, which has a higher emissions intensity than the location-based method. However, it should be noted by NVE that the use of the CO2 factor for the market-based method may give an inaccurate picture of high emissions associated with electricity in Norway. For the market-based method, we have used NVE's product declaration for electricity suppliers with 502 g CO2 equivalents/kWh. For the location-based method, we have used NVE's climate declaration for physically delivered electricity with 19 g CO2 equivalents/kWh.

	Tons CO2e financed emissions for private housing (location-based method)	Tons CO2e financed emissions for private housing (market-based method)	Total energy consumption in the portfolio in MWh
2023 (as reported)	3.597	95.025	390.689
2023 (adjusted)**	2.423	96.771	372.664
2024	2.402	95.937	375.428

Assumptions Used in the Calculations
The calculation of emissions in the bank's mortgage portfolio is primarily based on estimated energy consumption from statistics (Eiendomsverdi). This corresponds to data quality level 3 in PCAF's data quality hierarchy, as energy labels and area size are used as the basis for estimates from Eiendomsverdi. Some of the engagements are co-financed by guarantors whose security is not held by the bank. In such cases, a small proportion of the engagement's LTV and thus emissions will belong to the guarantor's property.

*** The figures for 2023 have been revised based on the most recently updated calculation methodology from Eiendomsverdi in 2024, in accordance with data quality level 3.*

Financed vehicles

The bank finances various vehicles through its subsidiary AS Financiering. This portfolio includes a mix of different fuel types, with a proportion of diesel and gasoline cars contributing to higher emissions figures.

	Tons CO2 financed emissions from vehicles	Tons CO2 financed emissions per MNOK (emissions intensity)
2023	21.078	7,6
2024	20.102	7,5

**** Assumptions used in the calculation of emissions in the vehicle portfolio of AS Financiering***
The calculation of emissions in the vehicle portfolio is assigned a weighted data quality score of 2.2. A large portion of the portfolio is calculated using method 2b, as we know the fuel type, car brand, and model for a significant number of vehicles in our portfolio. In cases where we lack sufficient data on car brand and model, emissions are calculated based on fuel type and estimated mileage (method 3a). For electric vehicles, an emission of 4 g CO2/km is used, based on the NVE's location-based factor with 19g/kWh and an average of 5 km per kWh. For 2% of the portfolio, where there is insufficient data to calculate emissions based on PCAF's method, the average of the rest of the portfolio is used.

The way forward

In line with upcoming industry regulations, stakeholder expectations, and the bank's own ambitions for development,we will actively work over the coming years to achieve higher data quality in emissions calculations. Our ambition is to provide a more accurate identification of emissions in the portfolio and thereby work purposefully toward emission reduction.

To reach our goals, the bank must maintain close dialogue with our customers on emission-reducing measures. Over time, the bank's ambition is that all financed properties will have an energy label, that more customers choose to renovate their buildings, that corporate clients work systematically to cut emissions in their operations, and that we finance more electric and hybrid vehicles.

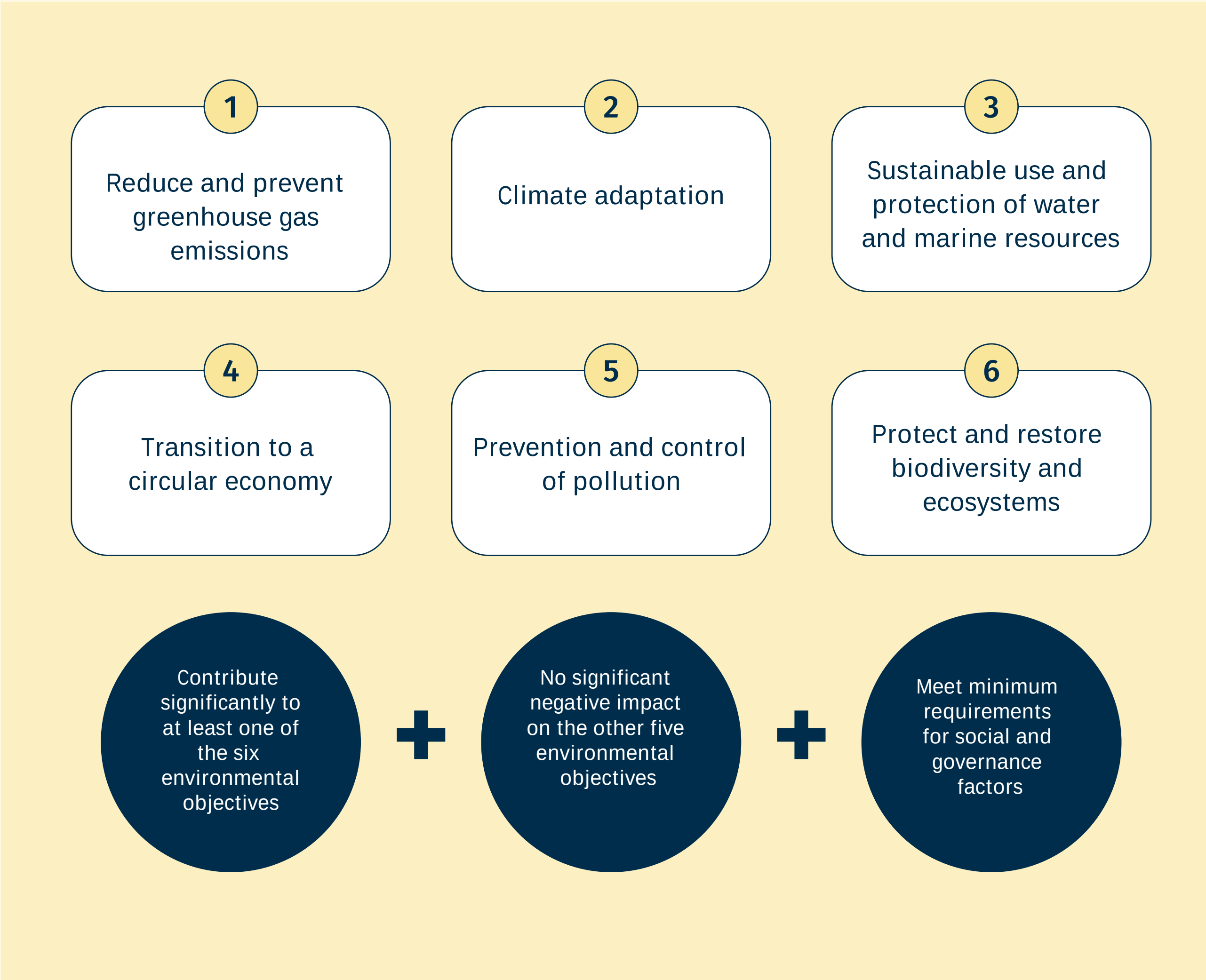
RULES AND GUIDELINES

UN Sustainable Development Goals	13
UN Global Compact	Principles 7-9
GRI-indicator	305-3, 305-4, 305-5
PCAF	Measure greenhouse gas emissions, net zero emissions by 2050
TCFD	Goals and methods.

EU Taxonomy

The Sustainable Finance Act came into effect in 2023, implementing the EU Taxonomy Regulation into Norwegian law. Currently, the reporting requirements for the Taxonomy apply primarily to large listed companies, but smaller businesses, not yet subject to the requirement, are encouraged to report voluntarily. Sparebanken Øst aims to contribute to the transition to a low-emission society and has therefore started preparations to report according to the Taxonomy. Although the mandatory reporting requirements under the Taxonomy do not apply to the bank until the 2025 annual report, we will voluntarily report the "green fraction" (Green Asset Ratio, GAR) based on the bank's assets in 2024.

The Taxonomy is designed to make it easier for financial actors to assess whether investments align with Europe's climate and environmental goals. An activity is considered sustainable if it makes a substantial contribution to achieving at least one of the six climate and environmental objectives, does not significantly harm any of the other objectives, and meets minimum requirements for social and governance aspects.



The Taxonomy provides for a gradual expansion of reporting requirements related to the Green Asset Ratio (GAR). The level of detail, and thus the scope of the obligation to gather information,will gradually increase towards 2026. For 2024, Sparebanken Øst will voluntarily report on assets, with further reporting of additional key figures required in accordance with the regulations in the future.

The Taxonomy regulation requires extensive reporting. The most important information includes:

1. The share of the bank's assets that are eligible under the Taxonomy Regulation.
2. The share of the bank's assets that meet the requirements (Alignment) of the Taxonomy Regulation.
3. Green Assets Ratio (GAR) – the proportion of the bank's assets that meet the requirements of the Taxonomy Regulation.

Sustainable assets according to the EU Taxonomy (Taxonomy-aligned) as of 31.12.24.	NOK millions
Loans secured by residential property	6.987,1
Loans for vehicle financing (electric cars)	0,0
Bonds and certificates	154,0
Sustainable economic activity according to the EU taxonomy (Taxonomy-aligned)	7.141,1

Assets covered by the EU taxonomy (Taxonomy-eligible) as of 31.12.24	NOK millions
Loans secured by residential property	34.210,1
Loans for vehicle financing (electric cars)	2.753,6
Bonds and certificates	5.648,7
Economic activity covered by the taxonomy (Taxonomy-eligible)	42.612,4
Economic activity not covered by the taxonomy (Taxonomy non-eligible), but included in the denominator for the calculation of GAR.	1.248,5
Total assets included in the calculation of GAR.	43.860,9
Assets not included in the calculation of GAR (claims on central banks, public authorities, and supranational issuers)	2.564,6

Green Asset Ratio (GAR)	16,3 %

Based on the mapping of the group's assets, 16.3% of the assets are assessed to meet the criteria for being sustainable (Taxonomy-aligned) according to the EU Taxonomy. The largest proportion of sustainable assets involves loans for housing that meet at least one of the following three criteria:

1) The property uses at least 10% less energy than a near-zero energy building (NZEB).
2) Energy label A or within the top 15% of most energy-efficient homes.
3) The property has reduced its energy consumption by at least 30% through rehabilitation.

Based on the reports received from Eiendomsverdi as of December 31, 2024, and based on energy certificates from Enova and the energy calculation model from Simien, NOK 6.987 million of the home loans meet the criteria outlined above.

Included as green assets are also the portion of investments in bonds where the issuer, through a third-party assessment, can demonstrate that the funds have been allocated to sustainable activities in accordance with the EU taxonomy. By the end of the year, this amounted to NOK 154 million of the bond investments.

Loans for financing electric vehicles amounted to NOK 686.0 million of the portfolio at year-end. While the financing of electric vehicles meets the criteria for sustainable assets under the EU taxonomy, we assess that the data quality and availability necessary to determine whether the activity has a significant negative impact on the other five environmental objectives are insufficient. Therefore, the financing of vehicles is reported entirely as eligible assets.

RULES AND GUIDELINES

UN Sustainable Development Goals	13

Sustainable Capital Access, Loans, and Products

The society is undergoing a significant transition to ensure sustainability in the future. In this transition, the bank plays a crucial role by influencing who is offered financing and providing sustainable advisory services. As a savings bank, our greatest impact lies in close dialogue with our customers, supporting them in making sustainable choices during the transition process. Therefore, the bank offers products and services that support this ambition. We have dedicated loans to finance green assets, a green framework, and green products.

To encourage our business customers to transition towards greener operations, the bank offers three green products: a green loan for newer commercial properties, a renovation loan for commercial buildings, and a conversion loan once the building has been renovated.

To qualify for a green loan for commercial properties, the customer must meet one of the following criteria: BREEAM-NOR certification (minimum "Very Good"), Energy class A, or The building is Nordic Swan Ecolabeled

For the renovation loan, the customer must meet one or more of the bank's requirements: BREEAM-NOR certification (minimum "Very Good"), At least a 30% reduction in energy demand, An improvement of at least two energy classes or Energy label D or higher after the upgrade

For private customers, we offer Green Mortgage Loans, Green First Home Loans, Green Credit Lines, Green Young Home Loans,and an Environmental Loan for energy efficiency upgrades such as solar panels, heat pumps, insulation, and more. To qualify for a Green Mortgage Loan or Green Credit Line, the customer must meet one or more of the following criteria: BREEAM-NOR certification (minimum "Very Good"), Energy label A or B, Nordic Swan Ecolabel certification, Additional requirements for the Green First Home Loan include: The property must be the customer's first home purchase (regardless of bank). The customer must reside in the home themselves.

In 2024, the share of green loans in the private portfolio increased from 0.9% to 3.7%.

Share of Green Loans in Relation to the Total Private Portfolio (NOK million):

	2022	2023	2024
Green Home Loans	164.198	275.590	1.279.938
Portfolio	0,5 %	0,9 %	3,7 %

AS Financiering offers green car loans for vehicles that are hydrogen, hybrid, or electric. Of all new loans in 2024, approximately 22 percent were for pure electric cars, an increase of 1 percentage point from the previous year. The share of electric cars in the total portfolio has increased from 24% in 2023 to 25% in 2024.

Share of electric cars distributed across new loans and the total portfolio:

	2022	2023	2024
Nye lån	25 %	21 %	22 %
Portefølje	21 %	24 %	25 %

Sustainable Capital Access

Sparebanken Øst currently has a loan of approximately NOK 163.6 million from the Nordic Investment Bank (NIB). This loan finances green assets in line with NIB's sustainability criteria. NIB finances projects that promote environmental and productivity gains in the Nordic and Baltic countries to support a prosperous and sustainable member region.

The bank's green framework has been verified by S&P Global Ratings Second Party Opinion (formerly Cicero). The framework was established in January 2023 and covers the entire group.

The criteria for green assets are in accordance with the framework, as follows:
- Homes built after 2011 and before 2021
- Buildings and homes with energy label A or B
- All electric vehicles, regardless of the loan product they have

As part of the green framework, an impact report is prepared. The report describes the qualified properties and buildings within the criteria, as well as their area. Furthermore, the report specifies how much more energy-efficient the qualified portion of the portfolio is compared to the average Norwegian home.

	Qualified area for buildings in the portfolio (m²)			Total qualified area (m²)
	Houses built after 2011 and before 2021 (TEK 10 and TEK 17)	Energy label A	Energy label B	
Apartments	49.850	7.035	4.150	61.035
Houses	94.155	6.655	19.025	119.835
Total	144.005	13.690	23.175	180.870

Sparebanken Øst Boligkreditt AS issued NOK 2.0 billion in a Green Covered Bond (OMF) on January 31, with a maturity of 5.5 years. The bond loan was extended by NOK 500 million in August 2023, and the outstanding amount of the loan was NOK 2.5 billion as of December 31, 2024.

As of December 31, 2024, Sparebanken Øst Boligkreditt AS held assets that qualified as green under the framework, amounting to NOK 3.7 billion. Additionally, in the parent bank, there were NOK 1.9 billion that could, under certain criteria, have been transferred to the housing credit company if necessary. AS Financiering has car loans for electric vehicles amounting to approximately NOK 686 million.

Green loans that meet the criteria for the green bond issued under the green framework (NOK millions)	Amount in NOK	Amount in NOK Percentage of total green loan portfolio allocated
Sparebanken Øst Boligkreditt AS : Green loans for private homes	3.350.265	100%
Green private homes	1.922.910	0%
AS Financiering : Green transport	686.013	0%
TOTAL	5.959.188	100%

RULES AND GUIDELINES

UN Sustainable Development Goals	13
UN Global Compact	Principles 7-9
TCFD	Access to Green Capital, Green Products
PCAF	Net Zero Emissions in the Portfolio

Economic and Sustainable Competence

All employees of the bank, AS Financiering, and the bank's board have completed a basic course in sustainability. Our business advisors and leaders have taken courses on climate risk and upcoming regulatory requirements. Particularly our business customers will experience increased demands, legal regulations, and guidelines directly impacting them and their companies, and we aim to be a sparring partner for our customers in the sustainability area. ESG courses are part of the training plan for all new employees at the bank, with both physical courses and a digital review of the basic sustainability course. AS Financiering is continuously working to improve sustainability competence in all customer-facing channels and collaborating car dealerships. Several of the bank's departments have been offered courses on relevant sustainability topics in 2024, but the work to raise sustainability competence across all of the bank's departments is an ongoing effort and will continue to develop in the coming years.

Rules and Guidelines

UN Sustainable Development Goals	Mål nr. 4 og 13
UN Global Compact	Prinsipp 7-9
GRI-indikator	404
TCFD	Ansattes kompetanse innen ESG-og klimarisiko

Local business development and innovation

Sparebanken Øst is a regional savings bank with a strong presence in the local market. The bank's local market can be defined as Øvre Eiker and Drammen. In this area, we are a major employer offering jobs in various fields and at different levels. It is important for Sparebanken Øst that, through our role as a provider of skilled jobs, we also collaborate with many industries and business stakeholders on development projects in the local communities. The bank has partnered with a local entity that can assist our customers with energy mapping, energy labeling, and energy efficiency, as well as a partner that can provide solar panel installation. The bank also has a long-standing positive relationship with public actors when business and community development projects are to be discussed or initiated. The bank's role as a provider of financial services to businesses fosters increased competition in products and services, which can ultimately contribute to greater business development and innovation. We have expertise, local knowledge, and familiarity that allow the bank, through knowledge exchange with the business community, also in sustainability, to contribute to development.

RULES AND GUIDELINES

UN Sustainable Development Goals	8
GRI-indicator	413-1

Biodiversity

Biodiversity refers to all the different variations of life found in nature, including plants, animals, and organisms. The loss of biodiversity (loss of species) is considered one of the major threats in today's society. Most businesses are dependent on nature, either directly or indirectly. Human impact primarily concerns the exploitation of natural resources, land use, and greenhouse gas emissions.

Sparebanken Øst aims to be a positive contributor to the preservation of the local biodiversity around us. Preserving and restoring nature is a task that must be addressed locally, and the bank's knowledge of the local market can help us implement measures that can positively impact nature. The bank's primary operations are located in the Østlandet region, with Drammen and Øvre Eiker as its local market, and this is where our impact on nature is greatest. The bank operates in an area where there are endangered species, contaminated land, protected areas, and areas proposed for protection. Therefore, we must consider these factors when, for example, evaluating new premises or when new financing is to be granted.

We map our business customers with questions about their impact on nature and how their operations may depend on natural resources. The bank has decided not to finance construction projects that destroy protected nature or lead to the loss of endangered species.

In addition, the board has adopted a new policy for the environment and biodiversity, which establishes that the bank's nature-related goals for 2030 are:

• We aim to be a contributor to the restoration of damaged nature in our local area by 2050.
• By 2030, we will ensure that we contribute to no loss of important biodiverse areas, both in our own operations and in the financing of new projects.
In the years to come, we will implement effective and concrete measures to achieve this.

RULES AND GUIDELINES

UN Sustainable Development Goals	13
UN Global Compact	Principles 7-8
PBAF	Analyze biological footprint
TNFD	Goals and methods, strategy
GRI-indi cator	304-2

Resource efficiency and waste

Sparebanken Øst's direct climate impact through its own operations is considered to be relatively modest compared to the emissions, resource use, and waste generated indirectly through our customer portfolio. At the bank's owned buildings and offices, where the majority of the bank's employees work, complete waste sorting is carried out. In some of the smaller, leased locations, partial waste sorting is implemented. This is due to the small size of the premises, reduced opening hours, and fewer employees. The waste produced at these smaller locations primarily consists of paper, wet organic waste, and residual waste. E-waste, toner cartridges, and batteries are handled according to the applicable waste instructions at all offices. A significant portion of the office supplies purchased by the bank for its own use is environmentally certified. The bank's ambition is to prioritize sustainable alternatives in its purchasing decisions.

RULES AND GUIDELINES

UN Sustainable Development Goals	13
UN Global Compact	Principles 7-8
GRI-indicator	306-3
PCAF	Greenhouse gas emissions

Human Rights, Diversity, and Inclusion

Human rights are the fundamental rights and freedoms that all individuals are entitled to, regardless of gender, age, religion, sexual orientation, nationality, or where they live in the world. Examples of human rights include the right to life, freedom from discrimination, freedom of speech, and the right to work and education.

Diversity refers to the variety of characteristics that make individuals unique, such as their background, perspectives, and experiences. Diversity is about embracing differences with openness, respect, and inclusion. Sparebanken Øst aims to be a workplace where employees experience a safe and inclusive work environment, and where individual rights are upheld in a dignified manner. We believe that diversity in the workplace can contribute to creating performance environments that enhance both the operation and development of the bank. Inclusion refers to the active and intentional effort to create an environment where all individuals feel valued, respected, and supported.

Businesses have a responsibility to respect human rights in their operations and throughout the supply chain. They should also strive for diverse and inclusive workplaces, where everyone is treated with fairness and respect, and where all voices are heard.

The corporate governance at Sparebanken Øst includes a board-approved strategy for people and organization. The group's ethical principles, outlined in the "Rules for Good Conduct in Sparebanken Øst" and a more detailed internal instruction for ethical guidelines, form the framework for ethics and describe the commitments and expectations for how we, as a group, should behave. This framework stipulates that we must facilitate equality and diversity in all areas, and we do not accept discrimination or harassment. As part of our work on equality, diversity, and inclusion, the bank has developed its own policy for diversity and inclusion.

Sparebanken Øst works within the following areas:

- Diversity and inclusion
- Responsible supply chain (including risks related to human rights violations)
- Responsible advice and employee competence development
- Work environment and safety
- Arbeidsmiljø og sikkerhet
- Donations to public-benefit purposes

Diversity and inclusion

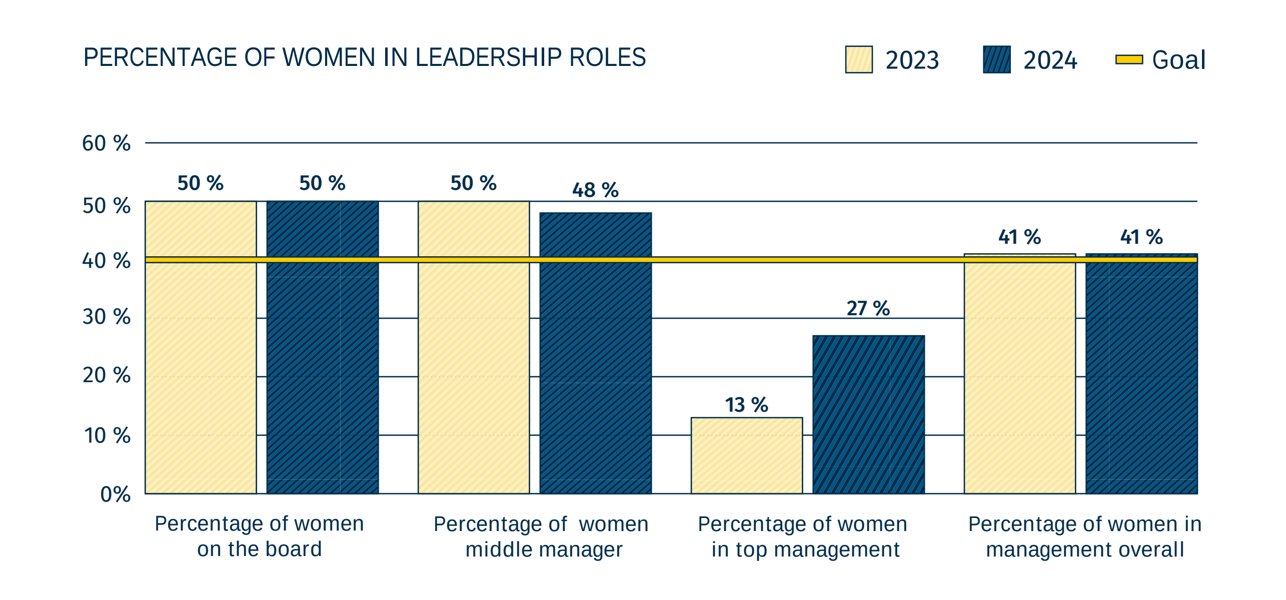
Sparebanken Øst aims to be an attractive employer for competent and responsible individuals. The bank is committed to attracting relevant skills regardless of age, gender, ethnicity, or disability. We aim to provide interesting challenges, tasks, and career opportunities. All employees are given equal opportunities for personal and professional development and will be treated equally with regard to employment, salary, training, and development.

We aim for a relatively equal gender distribution across all leadership levels and have a goal of achieving at least 40 percent women in leadership positions at all levels over time.

Sparebanken Øst has an obligation to work for gender equality and prevent gender discrimination. The bank aims to pay equal wages for work of equal value, regardless of gender. Sparebanken Øst will, as far as possible, accommodate employees with disabilities. We will also ensure a good balance between work and leisure for our employees.

Sparebanken Øst does not tolerate bullying or harassment. We have a zero-tolerance policy for verbal, physical, and sexual harassment. All employees have a duty to report any harassment or discrimination they become aware of in the workplace, in accordance with the Equality and Anti-Discrimination Act. Employees should have the opportunity to report any reprehensible conditions in a safe manner. Internal reporting channels are in place, and all reports will be treated with respect and taken seriously.

The state of gender equality at Sparebanken Øst



Gender-segregated salary statistics at Sparebanken Øst

	Gender				Wage differences (on average) The proportion of women's earnings compared to men's is given in percentage.			
	Number of women		Number of men		Agreed salary/base salary		Agreed salary incl. insurance, car, bonuses & pension	
	2023	2024	2023	2024	2023	2024	2023	2024
Total for all employees	109	100	71	75	74 %	75 %	72 %	73 %
Total for all employees excluding top management	108	97	63	66	86 %	88 %	87 %	88 %
All leaders including top management	16	16	23	23	66 %	67 %	64 %	66 %
Top management excluding CEO	1	3	7	8	75 %	64 %	78 %	65 %
Middle managers	15	13	15	14	84 %	89 %	85 %	89 %
Business advisors / Customer advisors	46	40	30	36	90 %	90 %	89 %	91 %

Sparebanken Øst aims to have at least 40 percent women in leadership positions across all levels over time. This goal has been achieved for several years in terms of the total proportion of female leaders, the proportion of female middle managers, and the proportion of women on the board. When replacements are needed in the executive team, the bank will seek to increase the proportion of women. The proportion of women in the Executive Team has increased from 13% to 27% in 2024.

PERCENTAGE OF WOMEN ACROSS JOB LEVELS	2023	2024
Proportion of women leaders in total	41 %	41 %
Leadership level 1 (CEO)	0 %	0 %
Executive team*	13 %	27 %
Middle management	50 %	48 %
Corporate advisors/Customer advisors	61 %	53 %
Proportion of women on the board	50 %	50 %

**Including the Head of Compliance and Head of Risk Management.*

EQUALITY REPORT	2023	2024
Total number of employees	180	175
Women's share	61 %	57 %
Men's share	39 %	43 %
Part-time women employees	7 %	6 %
Part-time men employees	1 %	2 %
Temporary positions for women	0	0
Temporary positions for men	1	0

Part-time work and temporary employees at Sparebanken Øst

In 2024, 14 employees (8%) worked part-time at Sparebanken Øst.

In seven of these cases, the reason for part-time work is either that the employee is partially disabled or that the employee has applied for reduced working hours in accordance with the Working Environment Act § 10-2. This is in line with our desire to accommodate employees who have reduced functionality or who, for other reasons, have a particular need for permanent or temporary reduced working hours. Sparebanken Øst employs three students part-time. The remaining four employees who worked part-time applied for this themselves and were granted approval. Based on this, it can be concluded that there is no involuntary part-time work at Sparebanken Øst.

The bank generally prefers full-time positions but accommodates part-time work where required by law, to include employees with reduced functionality or where employees themselves request part-time positions.

Sparebanken Øst uses temporary employment to a very limited extent, primarily for substitute positions. We have a strong tradition of offering young people and students work experience as vacation substitutes.

Sparebanken Øst aims to pay equal wages for work of equal value, regardless of gender. The bank has a joint employment committee that formally makes decisions regarding employment for employees whose salaries fall within a salary scale.

EQUALITY IN PARENTAL LEAVE AT SPAREBANKEN ØST

Parental leave usage	Number on leave in		Average number of weeks	
	2023	2024	2023	2024
Men	2	4	10	12
Women	4	8	25	20
Total	**6**	**12**	**35**	**32**

UNPAID LEAVE IN CONNECTION WITH PARENTAL LEAVE

Number who took unpaid leave in connection with parental leave	2023	Total leave		2024	Total leave	
Women	1	2	50 %	2	8	25 %
Men	0	4	0 %	0	4	0 %

Number who took graded parental leave	2023	Total leave		2024	Total leave	
Women	0	2	0 %	0	8	0 %
Men	0	4	0 %	1	4	25 %

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Reduced working percentage to take care of children	2023	Employees with children under 10 years old in 2023		2024	Employees with children under 10 years old in 20234	
Women	4	28	14 %	2	25	8 %
Men	0	20	0 %	0	26	0 %

We see that fathers at Sparebanken Øst, in line with the trend in the Norwegian population, primarily take only the legally mandated paternity quota. It is the mothers who generally take the shared parental leave period. It is also the mothers who take unpaid leave in connection with parental leave. Men at Sparebanken Øst are met with the same level of understanding and accommodation if they choose to take a larger portion of the leave, and it is also accepted that fathers can take unpaid leave. Efforts to shape attitudes around this are addressed during the onboarding of new leaders specifically and in leadership training more generally.

Health-related leave at Sparebanken Øst

The bank maintains good control over health-related leave and has effective procedures in place for following up with employees who are on leave due to health reasons. At present, there is no need for additional measures to reduce absenteeism. As observed in society in general, women tend to have higher health-related leave than men. A portion of women's health-related leave is related to pregnancy,and women also take more leave to care for sick children. Efforts to shape attitudes around this will be addressed during the onboarding of new leaders and throughout leadership training in general.

Health-related leave (self-certified/doctor-certified)	As of 31.12.23	Possible workdays 2023	Number of workdays	As of 31.12.24	Possible workday s 2024	Number of workdays
Menn	2,4 %	15578	380	2,3 %	16261	381
Kvinner	5,7 %	22975	1302	7,6 %	21928	1675
total	4,4 %	38553	1682	5,4 %	38141	2056

Fravær pga.syke barn (samlet antall dagsverk)	per 31.12.23	Mulig dagsverk 2023	Antall dagsverk	per 31.12.24	Mulig dagsverk 2024	Antall dagsverk
Menn	1,3 %	5060	68	1,0 %	6210	61
Kvinner	3,3 %	7590	248	4,7 %	6670	310
total	2,5 %	12650	315	2,9 %	12880	371

Balancing work and family life

Sparebanken Øst aims to provide employees with a good balance between work and leisure. To support increased flexibility, the bank offers a flexible working hours scheme with core hours from 09:00 to 15:00, and a broader framework for regular working hours from 07:30 to 18:00. Within these hours, employees can manage their own work schedules.

Sparebanken Øst is one of the few employers to have introduced an additional week of vacation for employees with young children aged two to nine years. In addition, the bank reduces working hours by one hour during the summer months, from mid-May through August. The bank also has a clear goal that meeting activities should take place within regular working hours.

Work for equality and against discrimination

Recruitments, both external and internal, are handled by the bank's employment committee. The committee consists of three representatives from management, two employee representatives from the Finansforbundet, and one representative from the staff. The committee works to ensure diversity, equality, and equal pay for work of equal value in recruitment.

In addition to information about the recommended candidate, the committee also has access to applicant lists in its work and handles and makes decisions regarding salary setting for positions covered by the financial sector's salary regulations. Local salary negotiations are also discussed and decided by the employment committee.

Employee rights

A large group of employees at the bank are organized in the Finansforbundet. The bank is a member of Finance Norway and adheres to Norwegian laws. Child and youth labor is regulated under Chapter 11 of the Working Environment Act and the regulations on organization, leadership, and participation. As a general rule, Sparebanken Øst does not employ children under the age of 15. We have outlined in our internal guidelines and in the leadership handbook how we should take care of employees, both during the hiring process and while they work with us. The bank has published a "Code of Conduct" that also addresses discrimination. It states, among other things, that Sparebanken Øst will promote respect for human dignity by encouraging diversity in the workplace. We will recognize similarities but also value differences to bring out the best for both our customers and Sparebanken Øst.

Reporting on gender equality at AS Financiering

AS Financiering has a part-time student employee. No employees in AS Financiering have taken parental leave in 2024, either full-time or part-time.

Additionally, no one has taken unpaid leave in connection with parental leave. No days of absence due to sick children have been reported in 2024.

	Gender				Salary differences (on average) Women's share of men's earnings is stated as a percentage			
	Number of women		Number of men		Agreed salary /Fixed salary		Agreed salary including insurance, company car , any paid bonus, pension.	
	2023	2024	2023	2024	2023	2024	2023	2024
Total number of employees	9	10	8	5	80 %	68 %	76 %	63 %
Total number of employees excluding the management team	8	9	5	1	101 %	111 %	99 %	114 %

GENDER EQUALITY REPORT	2023	2024
Total number of employees (full-time equivalents)	17	15
Percentage of women	53 %	67 %
Percentage of men	47 %	33 %
Part-time women employees	0 %	0 %
Part-time men employees	0 %	0 %
Temporary positions for women (full-time equivalents)	0	0
Temporary positions for men (full-time equivalents)	0	0

Percentage of women by job level	2023	2024
Number of female leaders	25 %	20 %
Leadership level 1 (CEO)	0 %	0 %
Management team	33 %	25 %
Percentage of women on the board of directors	40 %	40 %

Health-related leave and work environment in AS Financiering

Sick leave in AS Financiering has increased in 2024 due to some longer illness cases. The absence is under control, and there is no consideration for further action beyond regular sick leave follow-up. The work environment is considered good.

	2023			2024		
Health-related leave	**Number of workdays**	**As of 31.12.24**	**Possible workdays**	**Number of workdays**	**As of 31.12.24**	**Possible workdays**
Men	1,9 %	1643	31	3,6 %	1211	44
Women	1, %	2059	38	8,6 %	2455	212
Total	1,9 %	3702	69	7,0 %	3666	256

RULES AND GUIDELINES

UN Sustainable Development Goals	8 and 16
UN Global Compact	Principles 1-6
The Transparency Act	Worker rights
GRI- indicator	401-3, 405-1, 405-2, 406-1
UN Human Rights	Article 23

Responsible value chain

To realize the bank's ambition of incorporating sustainability into every aspect, we are constantly focused on ensuring that we also work towards the most sustainable value chain possible. A policy for responsible procurement has been established, applicable to all existing and new suppliers. The purpose of this policy is to safeguard fundamental human rights, decent working conditions, the environment, and corporate governance among suppliers and business partners. This is part of the requirements set out in the Transparency Act. Sparebanken Øst is subject to the law on corporate transparency and the work on fundamental human rights and decent working conditions (the Transparency Act). A statement on the due diligence assessments for Sparebanken Øst and our subsidiaries is published on our website. The statement for due diligence assessments for 2024 will be published on our website by the deadline of June 30, 2025.

We are also actively working to manage sustainability risks in our downstream value chain in our interactions with our customers.

In 2024, work has also been done on mapping the value chain in line with the new requirements under the Corporate Sustainability Reporting Directive (CSRD/Sustainability Reporting Directive).

The value chain mapping under CSRD is part of the double materiality analysis, which will form the basis for sustainability reporting for the reporting year 2025. This mapping will help increase the focus on sustainability issues in our value chain, both upstream, downstream, and within our own operations. The value chain analysis will undergo continuous evaluation, which may influence and improve the data foundation and dialogue with our suppliers and customers. Overall, the goal is that the value chain mapping, double materiality analysis, and associated reporting will help ensure that Sparebanken Øst is better equipped for the transition to a more sustainable society.

RULES AND GUIDELINES

UN Sustainable Development Goals	8 and 16
UN Global Compact	Principles 1-6
The Transparency Act	Worker rights
GRI- indicator	408-1, 409-1, 414-1, 414-2
UN Human Rights	Article 23

Responsible advising service and competence development

Competent employees are a prerequisite for a sustainable and attractive financial sector. Continuous development of employee skills is a key focus area to achieve our strategic goals and to serve our customers in the best possible way. We will also attract the necessary expertise through recruitment and collaboration.

Sparebanken Øst is affiliated with the Financial Sector's authorization schemes (FinAut) in savings and investment, credit, personal and business property insurance, and personal and business life insurance. The bank's affiliation with these authorization schemes is an important part of ensuring that our employees have the necessary competence and ethics in customer interactions. All authorized employees undergo annual professional updates to maintain their authorization. In 2024, the bank has hired several new advisors who were not recruited from the banking sector. These individuals will receive training and be authorized during their first year of employment at the bank.

Throughout the year, a number of competence-enhancing measures have been implemented. All employees have undergone training in the prevention of financial crime, anti-money laundering,anti-corruption, and IT security. Internal leadership training on various relevant topics is also conducted. In the retail market, training has been carried out to ensure that our advisors provide excellent service to our customers.

The various areas of expertise and specialists within the bank regularly participate in courses and webinars to ensure competence development in line with the bank's needs and market and societal developments.

All new employees must undergo training to gain the necessary knowledge and insight into the bank's history, strategy, values, and framework conditions. Additionally, all new employees must complete tailored training in relevant subjects and systems, as well as training in anti-money laundering, countering the financing of terrorism, and IT security. In 2024, the bank established a new onboarding program for newly hired customer advisors in the retail market. The purpose of the training is to ensure that new customer advisors in the bank receive solid, effective, and systematic training. The training takes place centrally over a period of one month and covers a range of relevant topics.

The bank has a range of handbooks and an extensive set of instructions. Continuous efforts are made to ensure the quality of these tools to guarantee that competence is maintained within the organization. Structuring and quality assurance of necessary learning and development are key focus areas for Sparebanken Øst.

COMPLAINTS IN THE NORWEGIAN FINANCIAL SERVICES COMPLAINTS BOARD

	2020	2021	2022	2023	2024
Number	8	8	3	8	8

RULES AND GUIDELINES

UN Sustainable Development Goals	4, 8 and 16
UN Global Compact	Principles 1-6
GRI-indicator	404-2 and 417-2
The Transparency Act	Worker rights
UN Human Rights	Article 26

Work environment and safety

The physical and psychosocial work environment in the bank should ensure that all employees have a positive experience in their work situation. Sparebanken Øst conducts annual employee surveys to assess the work environment and has, for several years, used the Humetrica Organizational Analysis (HOA). This analysis is well-documented, based on 30 years of experience, and is used by numerous Norwegian organizations. The feedback provides the bank with valuable insight into both minor and major areas for improvement, allowing for targeted measures to drive positive change. At the same time, it enables the bank to preserve and further develop the positive aspects of the work environment.

EMPLOYEE SURVEY	2021	2022	2023	2024
Average Score	75,5	82	82,2	82,3
Proud to work at Sparebanken Øst	64,5	80,1	83,4	79,7
Recommend Sparebanken Øst as an employer	63,1	80	85	83

The employee survey score in 2024 was very strong, showing positive development in several areas. This indicates that targeted initiatives have positively impacted the work environment and increased employees' pride in the bank.

Effective follow-up and development of employees are important to the bank. Throughout the year, structured efforts have been made to support employees. Strategies and performance presentations are made available in digital formats to ensure clear and consistent communication about goals, expectations, and results.

The bank systematically ensures compliance with mandatory health, safety, and environmental (HSE) requirements through established instructions and close collaboration with the occupational health service. Post-incident care in connection with robberies is part of the bank's overall HSE efforts and is handled by a dedicated post-incident support group. There were no robberies in the bank in 2024. Regular training in conflict and situation management is conducted for employees in customer-facing roles. The bank has not carried out any redundancy processes.

REPORTED INCIDENTS RELATED TO EMPLOYEES AND THE WORK ENVIRONMENT

	2020	2021	2022	2023	2024
Incidents	4	5	3	6	12

The incidents are related to individual situations where customers have acted threateningly or aggressively toward our employees. These incidents have been handled by the bank's HR department, where measures have been identified to support those involved. those involved.

Assistance from the occupational health service is also offered. None of the incidents in 2024 have resulted in employees reducing their work participation or requiring further follow-up.

REPORTED PERSONAL INJURIES

	2020	2021	2022	2023	2024
Personal injuries	3	1	0	0	0

All personal injuries are reported to NAV. Personal injuries refer to accidents or physical injuries to employees that occur in the workplace and are handled by the bank's HR department.

Turnover

The bank's turnover fluctuates over time. Maintaining a balance between renewing the organization, retaining relevant experience and crucial expertise, and being an attractive employer in the market is important. The bank aims to provide new generations of employees with opportunities for training and development. The bank also has good experience recruiting employees from other industries. This strategy affects the bank's turnover, as it is natural for young employees to seek further career and development opportunities outside the bank after a period of time. During certain periods, the bank's age composition will result in a higher proportion of employees who leave to transition into retirement. Unemployment in Norway has been low in recent years, with a significant number of vacant positions. The scarcity of labor, combined with the fact that the bank's employees are attractive to other companies, has led to rising turnover.

The overview below shows departures and arrivals broken down by age and gender. Reporting by geographic affiliation is not relevant, as the bank only has employees in the Eastern Norway region. To gain more insight into why employees choose to leave, exit interviews are conducted. In 2024, 25 exit interviews were carried out.

	2022				2023				2024			
	total		Excluding retires		total		Excluding retires		total		Excluding retires	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
New hires	**37**	**22,4**			**38**	**21,1**			**38**	**21,7**		
Women	16	9,7			18	10,0			18	10,3		
Men	21	12,7			20	11,1			20	11,4		
New hires under 30 years old	**11**				**8**				**15**			
Women	5				3				7			
Men	6				5				8			
New hires between 30-50	**21**				**22**				**19**			
Women	10				13				10			
Men	11				9				9			
New hires over 50 years old	**5**				**8**				**4**			
Women	1				2				1			
Men	4				6				3			
Turnover	**39**	**23,6**	**34**	**20,6**	**26**	**14,4**	**19**	**10,6**	**43**	**24,6**	**33**	**18,9**
Women	18	10,9	15	9,1	15	8,3	8	4,4	26	14,9	16	9,1
Men	21	12,7	19	11,5	11	6,1	11	6,1	17	9,7	17	9,7
Turnover under 30 year	**6**		**6**		**5**		**5**		**5**		**5**	
Women	3		3		0		0		0		0	
Men	3		3		5		5		5		5	
Turnover between 30-50	**25**		**25**		**10**		**9**		**10**		**9**	
Women	10		10		5		4		5		4	
Men	15		15		5		5		5		5	
Turnover over 50 years old	**8**		**3**		**11**		**5**		**11**		**5**	
Women	5		2		9		4		9		4	
Men	3		1		1		1		1		1	

Turnover AS Financiering

Turnover at AS Financiering has shown good development in 2024, and there are no concerns regarding the turnover numbers for 2024.

	2022	2023	2024
Percentage	12%	13%	7%

RULES AND GUIDELINES

UN Sustainable Development Goals	8 and 16
UN Global Compact	Principles 1-6
GRI-indicator	401-1, 403-1, 403-4
The Transparency Act	Worker rights

Donations to charitable purposes

As a savings bank, a portion of the profit is allocated each year to charitable donations. Over time, these funds will be directed to organizations and projects aimed at supporting volunteerism, idealists, and other community-beneficial purposes. Initiatives specifically targeting children, youth, and vulnerable groups are given priority. Please refer to the dedicated section "Charitable Donations."

RULES AND GUIDELINES

UN Sustainable Development Goals	16
UN Global Compact	Principles 1-6
GRI-indicator	413-1

Efforts against financial crime and protection of personal privacy

Economic crime refers to illegal activities involving the use of the financial system for criminal gain, money laundering, fraud, and financing of terrorism. Sparebanken Øst has a responsibility to prevent and detect economic crime to protect its customers and maintain the integrity of the financial system.

Sparebanken Øst works within the following areas:

- Preventing economic crime and corruption
- Information security and privacy protection

Preventing economic crime and corruption

Economic crime occurs on a large scale and is a serious societal issue. It is an ongoing threat to both individuals and businesses, and it undermines key pillars of society. As a bank, we therefore have an important societal mission – to prevent, detect, and report activities related to economic crime.

One of the bank's selected sustainability goals is "Peace, justice,and strong institutions." This includes efforts to counteract the consequences of economic crime, such as hindering economic growth, social inequalities, human rights violations, and fighting corruption. The bank therefore has its own ethics committee, consisting of the chief union representative, a lawyer, HR manager, deputy CEO, and CEO. This committee addresses ethical guidelines, reports, and concerns about questionable practices. All employees sign internal ethical guidelines, in addition to a "Code of Conduct" that must be followed by all employees.

Sparebanken Øst's overarching goal is to combat economic crime and works systematically to prevent our products and services from being used for activities such as money laundering and financing of terrorism. The bank has a zero-tolerance policy for economic crime, and the bank's "Anti-Money Laundering and Anti-Terrorist Financing Policy" provides guidelines for the bank's approach and efforts to prevent such activities.

The foundation for performing satisfactory work in this area is, first and foremost, a thorough understanding of and information about our customers' use of our products and services. Information gathering is conducted both at the establishment stage and on an ongoing basis, and the bank has strong operational procedures that must be followed by each employee. Secondly, there must be continuous improvement and optimization of transaction rules. One of the main tasks to detect and analyze suspicious transactions that may indicate money laundering or terrorist financing is transaction monitoring. In the process of verifying suspicions, a variety of control and customer measures are used, which are anchored in robust and operationalized procedures. In addition, the bank has strong governance and control functions to detect any errors and/or shortcomings in the work. For most transactions, suspicions are cleared; however, in cases where the suspicion cannot be refuted, the matter is reported to Økokrim. The bank has seen a significant increase in the number of cases reported to Økokrim, rising from 69 cases in 2020 to 235 cases in 2024. This is primarily due to continuous improvements in detecting new and various

methods, which in turn results in better accuracy in the bank's rule-setting for transaction monitoring and fraud cases.

Over the past few years, there has been a rapid technological development, and banks' efforts to prevent economic crime, including fraud, money laundering, terrorism financing, and corruption, are becoming increasingly challenging. This means that we need knowledgeable and adaptable employees. In 2023, all employees underwent training through external courses with subsequent knowledge tests. This effort has been followed up in 2024, but through a series of internal courses, knowledge tests, and specific training in selected areas.

At Sparebanken Øst, we believe in close cooperation with other industry players to share information and exchange experiences. Employees in the Anti-Money Laundering department therefore participate in several network groups, including "OPS AT" (public-private partnership) and the "Anti-Money Laundering Network" through JUC.

	2020	2021	2022	2023	2024
Internal corruption cases	0	0	0	0	0
Internal fraud cases	0	0	0	0	0
Suspicious cases – flagged	24.423	20.010	20.352	19.846	20.773
Number of reports to Økokrim	69	61	87	182	235

AS Financiering

AS Financiering focuses on preventing fraud during loan approval and actively works to prevent and detect financial crime. All employees regularly undergo mandatory training on anti-money laundering (AML) and the financing of terrorism.

AS Financiering's anti-money laundering officer has the relevant expertise to meet the obligations under the AML regulations. They work systematically with risk assessments, internal controls, and procedures. Through a strong training strategy and internal guidance at AS Financiering, fraud is prevented and detected both during the manual credit assessment and in the control checks before disbursement.

NUMBER OF TRANSACTIONS REPORTED TO ØKOKRIM

	2021	2022	2023	2024
Antall transaksjoner	1	2	1	1

RULES AND GUIDELINES

UN Sustainable Development Goals	16
UN Global Compact	Principles 10
GRI-indicator	205-1, 205-2, 205-3
The Transparency Act	Preventing economic crime and corruption

Information security and privacy

Sparebanken Øst takes information and IT security very seriously. The responsibility for information and IT security is anchored in the bank's top management group, and IT strategies as well as an information security management system have been established. These strategies are updated annually and when necessary, and are decided by the bank's management and board. The bank has a strong collaboration with both Nordic Financial Cert (NFCert) and with the bank's technical service providers in this effort. Furthermore, the bank has established its own IT security program that includes several courses and exercises for all employees. This contributes to raising awareness of the employees' roles and importance for the bank's security culture. The bank works proactively towards cyber risk and has developed a separate policy for this area.

The General Data Protection Regulation (GDPR) provides general provisions regarding the processing of personal data, meaning information that can be directly or indirectly linked to an individual. All employees are bound by a statutory duty of confidentiality, according to the Financial Institutions Act §§ 9-6 and 9-7, and sign a confidentiality agreement upon employment. Sparebanken Øst has developed its own privacy statements for both customers and employees. We also have a designated Data Protection Officer (DPO).

Sparebanken Øst has established routines to protect the rights of customers and employees and provide avenues for complaints. A procedure has also been implemented for reporting deviations, including breaches of personal data security. The bank records and evaluates deviations related to the processing of personal data, with reporting to the Norwegian Data Protection Authority (Datatilsynet) as deemed necessary. In 2024, one incident related to a deviation with a system provider was reported to Datatilsynet. Sparebanken Øst is not aware of any formal complaints submitted to Datatilsynet regarding privacy breaches in the last five years. The bank has also not experienced any serious security incidents in 2024. More information on the bank's handling of personal data can be found in the bank's privacy statement at oest.no/personvern.

RULES AND GUIDELINES

UN Sustainable Development Goals	16
UN Global Compact	Principles 10
GRI-indicator	418-1
The Transparency Act	Information security

Sustainability Areas of Sparebanken Øst - GRI Indicators

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Corporate governance

Contents

1. Introduction

Savings Banks are Self-owned Foundations. The Norwegian Code of Practice for Corporate Governance, developed by the Norwegian Corporate Governance Board (NUES), is designed for public limited companies owned by shareholders with shares listed on regulated markets in Norway. For savings banks, the code applies insofar as it is relevant. Sparebanken Øst adheres to a "comply or explain" principle with respect to the recommendations (NUES), and any deviations from NUES will be commented upon. In this context, we take into account that savings banks are self-owned foundations and that the governance structure and composition of governing bodies differ significantly from those of public limited companies. Presentations, quarterly reports, bylaws, and more can be found at www.oest.no, under "About Us." The governance of Sparebanken Øst is based on an adopted vision, mission, objectives, strategies, and core values, as outlined in the section "Bank's Strategy" in the 2024 Annual Report, including the ethical framework established by the board.

The Supervisory Board is the highest governing body in Sparebanken Øst, equivalent to the general meeting in limited companies. The Supervisory Board is elected from among equity certificate holders, employees, depositors, and municipal appointees in Drammen, Nedre Eiker, and Øvre Eiker. Each member of the Supervisory Board has one vote.

The purpose of the NUES recommendations is to ensure that companies listed on regulated markets in Norway have corporate governance that clarifies the division of roles between shareholders, the board, and the executive management, beyond what is required by legislation. In a savings bank, there is also a need to clarify the roles in relation to employees, customers, and municipality-appointed trustees. This is addressed through Sparebanken Øst's bylaws. Corporate governance in Sparebanken Øst helps protect the interests of employees, depositors, equity certificate holders, and other external parties. Corporate governance is the board's overarching responsibility and aims to ensure that bodies and functions operate in accordance with regulations, and that the business is managed in an effective and goal-oriented manner over time. The management and the board of Sparebanken Øst annually assess the principles of corporate governance and how they are practiced and adhered to within the organization.

2. Statement on Corporate Governance According to the Accounting Act

The table below summarizes how Section 2-9, second paragraph, of the Norwegian Accounting Act is addressed in Sparebanken Øst. The structure follows the numbering in the paragraph.

Statement on Corporate Governance According to the Accounting Act	Comments
1. Specification of recommendations and regulations on corporate governance that the company is subject to or otherwise chooses to follow.	Savings bank operations are subject to licensing and are governed by an extensive regulatory framework that regulates the operations of savings banks. The Financial Supervisory Authority Act and the Financial Institutions Act, along with their associated regulations, are central to this context. This legislation largely defines what is considered good corporate governance and management in financial institutions. Savings banks are subject to supervision by the Financial Supervisory Authority. Sparebanken Øst also follows the Norwegian recommendation for corporate governance and management issued by the Norwegian Committee for Corporate
2. Information on where the recommendations and regulations mentioned in point 1 are publicly available	The NUES recommendation is available at nues.no. Other regulations can be found at lovdata.no.
3. A justificationor any deviations from the recommendations and regulations mentioned in point 1	Deviations may be necessary to accommodate all stakeholders in Sparebanken Øst. Any deviations from the recommendation are explained in this statement.
4. A description of the main elements of the bank's systems for internal control and risk management related to the accounting reporting process	See point 12
5. Statutory provisions that wholly or partially expand or deviate from the provisions in the Public Limited Liability Companies Act Chapter 5	Sparebanken Øst is regulated by the Financial Institutions Act and has statutes in accordance with this. See also point 7
6. The composition of leading bodies as well as a description of the main elements of applicable instructions and guidelines for the work of these bodies and any committees	See points 6-11
7. Statutory provisions that regulate the appointment and replacement of board members	See point 9
8. Statutory provisions and powers that allow the board to decide on and repurchase or issue its own shares or equity certificates	See points 4
9. A description of the company's policies on equality and diversity with respect to, for example, age, gender, and educational and professional background for the composition of the board,management, and control bodies and their sub-committees. Goals for these policies, how they have been implemented, and their impact during the reporting period should be stated. If the company does not have policies, this should be explained.	See points 8 and 9

3. Statement on Ownership and Corporate Governance

The overall activities of Sparebanken Øst are set out in its Articles of Association. Sparebanken Øst's purpose is to conduct business and provide services that are customary and natural for savings banks to perform in accordance with the applicable legislation and licenses in force at any given time.

In accordance with the applicable provisions of the Financial Institutions Act (finansforetaksloven) and other relevant legislation, Sparebanken Øst may hold assets in other financial institutions as well as in companies engaged in activities naturally related to banking and financing operations.

The Bank may also own shares in other companies but may not operate or participate as a general partner in companies engaged in activities other than those mentioned in this paragraph, unless such participation is temporary and necessary to safeguard the Bank's claims. Otherwise, the Bank's activities are conducted within the framework set by its license to operate as a savings bank and in accordance with the Financial Institutions Act and other laws and regulations applicable to savings banks. For a more detailed description of the activities, please refer to the Board of Directors' Annual Report for 2024 and the section describing the Bank's strategy.

Deviations from NUES: None

4. Share Capital and Dividends

The Board continuously assesses the capital structure in light of the company's objectives, strategy, and desired risk profile. The minimum equity requirement for savings banks is stipulated in Section 14-1 of the Financial Institutions Act. Requirements for the capital conservation buffer, systemic risk buffer, and countercyclical capital buffer are regulated in Section 14-3 of the same Act. The Group's target for the CET1 capital ratio corresponds to the regulatory requirements plus a capital margin of 1.0 percent.

The Supervisory Board has authorized the Board of Directors to acquire and/or establish a pledge in the Bank's own equity certificates. The authorization is valid for 18 months from 21 March 2024 and is subject to annual review. The Financial Supervisory Authority of Norway (Finanstilsynet) has approved the authorization. For practical reasons, Sparebanken Øst deviates from NUES' recommendation that such authorizations should be valid until the next Supervisory Board meeting, i.e., for one year.

The Supervisory Board has not granted the Board of Directors any general authorization to increase the Bank's equity. Should Sparebanken Øst require a capital increase, this will be addressed as a separate item at a Supervisory Board meeting. Any decision to increase the ownership equity must be approved by the Financial Supervisory Authority of Norway, cf. Section 10-4, (3) of the Financial Institutions Act.

DEVIATION FROM NUES: For practical reasons, Sparebanken Øst deviates from the recommendation that a Board authorization to acquire and/or establish a pledge in the Bank's own equity certificates should not extend beyond the next ordinary meeting of the Supervisory Board, as the authorization is valid for 18 months.

5. Equal Treatment of Shareholders

Sparebanken Øst has one class of equity certificates. The Bank's equity certificates are listed on the Oslo Stock Exchange in accordance with the regulations set out in financial legislation and the issuer rules established by the Oslo Stock Exchange. All equity certificate holders have the same rights. In 2024, there were no transactions between the Bank and the equity certificate holders or their related parties other than loans, deposits, and payment services, as well as salaries/fees to employees and elected representatives who are equity certificate holders.

The preferential rights of equity certificate holders in the event of capital increases are set out in Section 10-10 (3) of the Financial Institutions Act (finansforetaksloven). In the event of an increase in the ownership equity, the holders of equity certificates have preferential rights to subscribe for the new equity certificates in proportion to their existing holdings of equity certificates issued by the institution. Section 10-5 of the Public Limited Liability Companies Act (allmennaksjeloven) regarding the waiver of preferential rights applies correspondingly.

DEVIATION FROM NUES: None

6. Equity Certificates and Tradability

The bank's equity certificates are freely traded on the Oslo Stock Exchange. There are no additional ownership restrictions other than the applicable rules in the Financial Institutions Act concerning ownership limitations and licensing requirements,as well as the bylaws stipulating board approval for the purchase of equity certificates, which apply to equity certificate holders in Sparebanken Øst.

DEVIATION FROM NUES: Sparebanken Øst deviates from NUES in that the purchase of the bank's equity certificates requires board approval. This is stipulated in the bank's bylaws.

7. The Supervisory Board

The Supervisory Board shall ensure that the savings bank operates in accordance with its purpose and in compliance with applicable laws and the Articles of Association. The Supervisory Board elects the Nomination Committee from among its members. According to the Articles of Association, the tasks of the Supervisory Board include selecting the Chair and Deputy Chair of the Supervisory Board, approving the annual financial statements and the annual report, approving the allocation of profits/dividends, and determining the remuneration for the Bank's elected representatives, including the Board of Directors, Nomination Committee, and elected auditors. The Supervisory Board also elects the Bank's Board members.

The composition of the Supervisory Board is outlined in the Articles of Association, which were last amended on 23 March 2023. In the Articles of Association, the municipalities of Øvre Eiker, Nedre Eiker, and Drammen are referred to as they were geographically defined as of 1 January 2019. The local social responsibility is reflected in the composition of the Supervisory Board, where depositors, municipal representatives (public sector), equity certificate holders, and employees are all represented. The Supervisory Board consists of a total of 32 members with 24 alternates. Nine members are elected by the depositors, with three from Øvre Eiker, two from Nedre Eiker, and four from Drammen. Four members are elected by the public sector, with one member from Øvre Eiker, two members from Nedre Eiker, and one member from Drammen. Eight members are elected by the employees, and 11 members are elected by the equity certificate holders. The members of the Supervisory Board are elected for a term of four years.

The members of the Supervisory Board are elected in accordance with the Financial Institutions Act and the Bank's Articles of Association. It is specified here that the position is personal and it is not possible to be represented by a proxy. For this reason, NUES' recommendation regarding the use of proxy voting at the general meeting is not applicable for equity certificate holders in Sparebanken Øst.

The owners of equity certificates are entitled to vote when electing the members and alternates representing the equity certificate holders to the Bank's Supervisory Board. Each equity certificate grants one vote, but no one can vote for more than 10% of all equity certificates or cast more than 20% of the votes represented at the election meeting. The Chair of the Supervisory Board in 2024 has been May-Britt Andersen, and the Deputy Chair has been Lars M. Lunde.

The Supervisory Board holds one regular meeting each year. In addition, the Supervisory Board is convened by the Chair of the Supervisory Board as needed. The Supervisory Board held one meeting in 2024. The Board convenes the Supervisory Board's annual meetings with at least 21 days' notice, in accordance with Section 8-3 (1) of the Financial Institutions Act and Section 5-10 of the Public Limited Liability Companies Act. Both the Bank's auditor and the Board of Directors receive the notice of the Supervisory Board meetings. The meetings of the Supervisory Board are chaired by the Chair of the Supervisory Board, in accordance with the Articles of Association and the Financial Institutions Act, thus following the recommendation for independent meeting leadership. Regarding agenda documents, registration deadlines, election procedures, and publication of minutes from Supervisory Board meetings, the Bank complies with all points of NUES' recommendations.

DEVIATION FROM NUES: The NUES recommendation regarding the use of authorization at the general meeting is not relevant as the Supervisory Board operates with pre-elected deputies who are called upon in the event of absences of regular members.

8. Nomination Committees

According to the Bank's Articles of Association, the election of members to the Supervisory Board and the Board of Directors shall be carried out based on nominations from the Nomination Committee. There are 3 Nomination Committees in Sparebanken Øst:

1. Nomination Committee for the Supervisory Board and the Board of Directors
2. Nomination Committee for Depositors
3. Nomination Committee for Equity Certificate Holders

The Nomination Committees shall ensure that the composition of the Board of Directors and other bodies complies with the Bank's Articles of Association and the applicable legislation at any given time. In addition, consideration must be given to the composition of the body in terms of gender, age, and the candidates' independence from the management.

Employee representatives on the Board of Directors and the Supervisory Board are elected by, and from, the employees in accordance with Section 6-4 (2) of the Public Limited Liability Companies Act. The Nomination Committee for the Supervisory Board consists of representatives from all groups represented in the Supervisory Board, including equity certificate holders. This ensures that the relationship between the Nomination Committees and those elected has taken into account independence and impartiality. It is also emphasized that the various Nomination Committees maintain their independence from the Board of Directors of the Bank. The different Nomination Committees shall also ensure that the necessary expertise is available in relation to the tasks the Nomination Committee faces.

The Nomination Committee for the Supervisory Board and the Board of Directors is elected by, and from, the members of the Supervisory Board. The composition of the Nomination Committee is outlined in the Bank's Articles of Association. NUES' recommendations on this point are fulfilled as far as they are applicable in relation to the Articles of Association. The Nomination Committee's recommendation to the Supervisory Board is substantiated in accordance with NUES. A separate instruction for the Nomination Committees has been prepared,last adopted by the Supervisory Board in the meeting on 30.03.2017. The Nomination Committee for the Supervisory Board and the Board of Directors in 2024 consisted of the following individuals:

- Thor S. Syvaldsen
- Ann Kristin Plomås, ansatt
- Cato Brekke
- Ole Jørgen Smedsrud
- Frank Borgen

Sparebanken Øst therefore follows the recommendation that the majority of the Nomination Committee is independent of the Board of Directors and other senior management. Additionally, it is ensured that members of the Board of Directors or senior executives of the company should not be members of the Nomination Committee. The Bank's Articles of Association require that all members of the Nomination Committee are members of the Supervisory Board.

In 2024, the Nomination Committee held separate meetings with both the Chairman of the Board and the CEO of the bank.

DEVIATION FROM NUES: None

9. The Board of Directors: Composition and Independence

The Board of Directors consists of 6 external members and 2 employee representatives. The CEO and Deputy CEO have the right to attend meetings but do not have voting rights in the Board. The composition of the Board, the background of its members, and their participation in Board meetings in 2024 are discussed under "Presentation of the Board." Detailed information about each board member is also available on our website at oest.no/om-oss/styret-og-ledelse/. The CEO and Deputy CEO attended 27 out of 27 Board meetings in 2024. Election of Board members is conducted based on the preparation by the nomination committee appointed by the Supervisory Board. The nomination committee prepares a recommendation for the Supervisory Board. Board members are elected for a term of 2 years. The Supervisory Board elects the Chair and Vice Chair of the Board. The competence and professional experience of the Board members are presented to the Supervisory Board during the election process.
Section 4-1 of Sparebanken Øst's articles of association addresses the composition of the Board.
The Board of Directors is to act independently of the bank's management. With the exception of employee representatives, the members of the Board are considered independent of the bank's significant business relationships and the daily management of the bank. None of the bank's executive employees are members of the Board. The composition of the Board reflects diversity, where expertise and skills form the basis for the necessary board work. It is stated in the Board's instructions that the Board acts as a collegial body. However, responsibility for the decisions and actions taken by the Board rests with each individual board member.

Board members who hold equity certificates in Sparebanken Øst as of 31.12.2024 are listed in note 41.

DEVIATION FROM NUES: None

10. The Board's Work

The Board of Directors leads Sparebanken Øst's operations in accordance with laws, regulations, the bank's articles of association, and specific instructions given by the General Assembly. The governance of the bank is the responsibility of the Board. The Board must ensure that the operations of the bank are properly organized, including ensuring that the requirements for the bank's organization and the establishment of adequate management and control systems are met. The Board must establish plans and budgets for the bank's activities. The Board must also set guidelines for the business, including rules regarding confidentiality of information about the bank and its operations. The Board must stay informed about the bank's financial situation and is required to ensure that its operations, financial statements, and asset management are subject to adequate control. The Board must establish the job description for the CEO and ensure that the CEO regularly informs the Board about the bank's operations, position, and financial performance.

The Board's work is set out in a separate instruction for the Board, which is revised annually, with the most recent revision on 11.02.2025. According to the bank's ethical guidelines, there is an obligation to report for Board members and employees if they directly or indirectly have a significant interest in agreements made by or within the group, or in matters that the Board is to consider.

The Board receives monthly reports where the bank's financial and economic status is commented on. The monthly reports form the basis for internal governance and communication regarding the bank's status. The Board also receives periodic reports showing the bank's compliance with delegated authorities, as well as quarterly reports outlining the development of the bank's overall risk profile.

The Board prepares an annual plan for its work. The annual plan includes, among other things, the meeting schedule for the year, an overview of fixed tasks for specific meetings, and the financial calendar. The Board conducts an annual self-evaluation. The evaluation covers the members' competencies, the composition of the Board, and how the Board functions, both as a group and individually. The Board's self-evaluation is available to the election committee of the Supervisory Board.

DEVIATION FROM NUES:None

11. Board Committees

a) Remuneration Committee

In accordance with the requirements of Section 15-1 of the Financial Institutions Act and Section 15-1 et seq. of the Regulation on Financial Institutions and Financial Groups, a remuneration committee has been established in Sparebanken Øst. The task of the remuneration committee is to prepare guidelines for the board regarding compensation for senior executives. The committee is also responsible for ensuring that the company always has and practices guidelines and frameworks for compensation schemes that comply with the Regulation on Compensation Schemes in Financial Institutions, Securities Firms, and Management Companies for Securities Funds. The committee performs its duties in accordance with guidelines established by the board. The committee appoints its own chairperson. Its members are elected by the board. In 2023, the remuneration committee consisted of the following members:

Cecilie Hagby, leder
Øivind Andersson
Sissel Album Fjeld, ansattes representant

The board has approved guidelines for remuneration in Sparebanken Øst. The majority of the committee, in accordance with the recommendation from NUES, is independent of the business.

b) Audit and Risk Committee

In accordance with the requirements of Sections 8-18 and 13-6 (4)of the Financial Institutions Act, Sparebanken Øst has established an audit and risk committee according to the guidelines described by the law. The audit and risk committee serves as a preparatory and advisory body for the board. The members are elected by the board and serve for one year at a time. The chairperson of the committee is appointed by the board. The main tasks of the audit and risk committee are to prepare the board's oversight of financial statements and reporting, monitor risk management systems and internal controls, evaluate the work of internal audit, and assess and monitor the independence of the external auditor.

The committee is also responsible for preparing and advising the board on matters related to the bank's existing and future risk appetite and risk strategy, as well as the monitoring and implementation of this strategy. Additionally, the committee monitors the extent to which the bank's pricing of products to customers fully reflects the risk borne by the bank.The committee performs its duties according to instructions established by the board. The Audit and Risk Committee has held 10 meetings in 2024. The Audit and Risk Committee in 2024 consisted of the following members:

Cecilie Hagby, leder
Øivind Andersson
Arne K. Stokke

The committee is, in accordance with NUES' recommendations, independent of the business.

DEVIATION FROM NUES: None

12. Risk Management and Internal Control

Risk management and effective internal control are essential to support the group's development and achievement of its goals, ensuring financial stability and prudent business operations. This is achieved through a risk profile characterized by a strong risk culture and a high level of awareness regarding risk management. Risk management and internal control encompass both strategic and operational aspects, with particular emphasis on the quality of external reporting and compliance with laws and regulations.

The concept of holistic risk management is used in Sparebanken Øst with the following definition: Holistic risk management is the culture, characteristics, and practices that the organization integrates with strategy and uses when implementing the strategy,to manage risk as values are created, preserved, and realized.

a) Roles and Responsibilities

The organization and control functions are in accordance with current legislation. The provisions on holistic risk management are outlined in Section 13-5 of the Financial Institutions Act, concerning prudent operations and good business practice. Section 13-5 (1) states that a financial institution must be organized and operated in a prudent manner. The institution must have a clear organizational structure and division of responsibilities, as well as clear and appropriate governance and control arrangements.

The institution must have suitable guidelines and procedures to identify, manage, monitor, and report on the risks to which it is, or may be, exposed. A clear organization with well-defined responsibilities and authority is a central element of good risk management and internal control.

b) Internal Audit

In accordance with the Financial Institutions Act § 8-16 (1), the internal audit is responsible for, on behalf of the board, ensuring that the financial institution is organized and operated in a sound manner and in compliance with applicable regulations. Issues deemed unsatisfactory must be reported to the board and the CEO. The internal auditor has the right to attend board meetings and is required to present a report on risk management and internal control at least once per year, based on internal audit reviews conducted according to the established annual plan.

c) External Audit

The external auditor provides management and the board with independent and objective perspectives that can help the bank achieve its objectives, not only for financial reporting but also for goals within other areas. In connection with the annual financial statement audit, the auditor presents their view on the extent to which the financial statements accurately reflect the company's financial position in accordance with IFRS, thus contributing to the company's objectives for financial reporting.

The auditor may also provide useful information to management in its execution of activities related to risk management. This information includes audit findings, analytical insights, and recommendations for necessary actions to meet established goals, as well as findings regarding deficiencies in risk management and control, along with recommendations for improvements.

d) Oversight

In accordance with the Financial Institutions Act § 11-14, BDO AS has been appointed as the independent supervisor for Sparebanken Øst Boligkreditt AS. The supervisor conducts independent quarterly checks, including those of the legally required register and the financial balance between collateral and issued covered bonds. The supervisor regularly reports to the Financial Supervisory Authority (Finanstilsynet).

e) Risk Management Department and Compliance Department

In accordance with the CRR/CRD regulations, §§ 38-39, Sparebanken Øst has dedicated departments for risk management and compliance. These departments are independent of the regular operational activities. The Head of Risk Management and the Head of Compliance each lead their respective departments and report directly to the CEO. Both roles have job descriptions that grant them the right to report directly to the bank's board if necessary. Both department heads participate in all executive management meetings and strategy sessions, presenting their reports to the Audit and Risk Committee. The Head of Risk Management and the Head of Compliance cannot be dismissed without the board's consent, as outlined in CRR/CRD regulations, § 38 and § 39, respectively.

f) Internal Control in Operational Departments

Employees at Sparebanken Øst are responsible for possessing sufficient competence regarding their areas of responsibility and tasks to ensure adequate self-control. They must also perform their work within the established instructions, frameworks, and authorizations, maintaining the required quality and reporting significant breaches/incidents to their manager.

Middle managers and business leaders at Sparebanken Øst are responsible for establishing and implementing sound risk management within their respective areas. They must conduct necessary risk assessments and establish first-line controls where needed. The leaders are required to report any significant deviations and incidents to the Compliance Department.

The CEO has overall responsibility for ensuring that sound, comprehensive risk management is established within the bank, based on clear guidelines from the board. The CEO is also responsible for ensuring that the reporting obligations to the board comply with laws, regulations, bylaws, and established guidelines. Furthermore, the CEO must ensure that the group is appropriately organized, with clear responsibilities and necessary division of tasks. The CEO is also responsible for ensuring that the processes for assessing risks and overall capital requirements (ICAAP) are carried out.

g) Other Bodies and Control Points

Sparebanken Øst has several internal bodies for managing risk. The Asset and Liability Management Committee, Risk Committee,and Anti-Money Laundering Committee hold regular meetings to ensure strong internal control. The bank's Deputy CEO is responsible for anti-money laundering compliance.

DEVIATION FROM NUES: None

13. Remuneration for the Supervisory Board, the Board of Directors, and Trustees

Compensation for the board, the supervisory board, and the nomination committee is determined by the supervisory board. The compensation is intended to reflect the workload and responsibility of each individual. The remuneration is independent of the bank's results and is a fixed amount. There are no performance-based or variable compensations for the members of the supervisory board, board members, or other officials of the savings bank. Compensation for the supervisory board and the board is disclosed in the executive remuneration report for 2024. None of the board members, except for the employee representatives, have performed other tasks for the savings bank in 2024 besides their board duties.

DEVIATION FROM NUES: None

14. Salary and Other Compensation for Senior Executives

In accordance with the applicable laws, specifically the Financial Institutions Act §§ 15-1 to 15-6, the board sets the necessary guidelines for the compensation of senior executives. Compensation for senior executives is disclosed in the executive remuneration report for 2024. The fixed salary constitutes the primary income for all employees at Sparebanken Øst.

The board determines the compensation for the CEO. The CEO determines the compensation for the top management team. There are no agreements on variable compensation, stock options, or bonus arrangements. The top management participates in the board-approved profitsharing scheme. The board may decide to grant a one-time bonus to the CEO and the deputy CEO.

DEVIATION FROM NUES: None

15. Information and Communication

The bank's goal for information and communication is based on transparency and accessibility. To ensure necessary information flow, financial information shall be disclosed in accordance with the established financial calendar on the bank's website, by submitting the information to the Oslo Stock Exchange, and through presentations for investors and other stakeholders. Sparebanken Øst organizes open investor presentations when annual and quarterly results are presented. However, regulations regarding information and communication, rules on good stock exchange ethics, and a general requirement for equal treatment impose limitations on the bank's ability to release information, including for analysts.

Sparebanken Øst has developed guidelines for investor relations. These guidelines emphasize the bank's desire to maintain extensive and effective communication with the financial markets, focusing on transparency and credibility. Sparebanken Øst aims to establish a long-term, mutually beneficial relationship with as many brokerage firms as possible. Investment decisions should be based on economic calculations rather than relationships. The bank supports investment decisions that do not significantly alter current profitability estimates and that are beneficial to investors. Broker interactions should be conducted through the Finance Department to ensure consistent information flow.

Information deemed important and sensitive will first be communicated to the Oslo Stock Exchange. Sparebanken Øst aims to provide accurate and well-balanced information both in writing and orally, ensuring that no investors are given preferential treatment. All information offered should be distributed to all investor circles and presented in a clear and uniform manner. The bank should strive to be accessible to investors and respond to inquiries in a reasonable time. Information considered central to investors should be distributed via the bank’s website, the Oslo Stock Exchange, and via email.

DEVIATION FROM NUES: None

16. Company Acquisition

Savings banks cannot be acquired by other companies or individuals. Therefore, NUES' recommendation on this point is not relevant for savings banks. The supervisory board must make decisions on all matters related to changes in the operations of Sparebanken Øst, acquisitions of other companies, or other issues of particular importance to the bank. However, this does not apply to the acquisition of smaller companies within the bank's current business area, or if the matter should, for other special reasons, be decided by the board of directors first and then presented to the supervisory board.

DEVIATION FROM NUES: None

17. Auditor

The audit of Sparebanken Øst is conducted according to recognized auditing principles regarding planning, execution, and reporting. Ernst & Young AS is the bank's external auditor. The external auditor meets at least once a year with the Audit and Risk Committee and at the board meeting to review their assessments of the bank's risks. The external auditor always participates in the board meeting when the annual financial statements are approved and at the financial meeting of the Audit and Risk Committee, reviewing their assessment of significant matters within the bank. Additionally, the external auditor attends board meetings as needed. According to the Financial Institutions Act § 8-6 (3), the board must meet with the auditor at least once per quarter without the daily management being present unless otherwise specified in the board's instructions. The external auditor is also invited to all supervisory board meetings. Further details on auditor compensation, including the allocation of fees, can be found in note 20 of the annual financial statements.

DEVIATION FROM NUES: None

18. Financial Calendar for 2025

	Disclosure
Preliminary Results for 2024 (Q4 2024)	February 12, 2025
Annual Financial Statements 2024	February 04, 2025
Supervisory Board Meeting	March 27, 2025
Ex-Dividend Date	March 28, 2025
Dividend Payment	April 8, 2025
Financial Statements	
Q1 2025	May 14, 2025
Q2 2025	July 14, 2025
Q3 2025	October 29, 2025

19. Investor Relations

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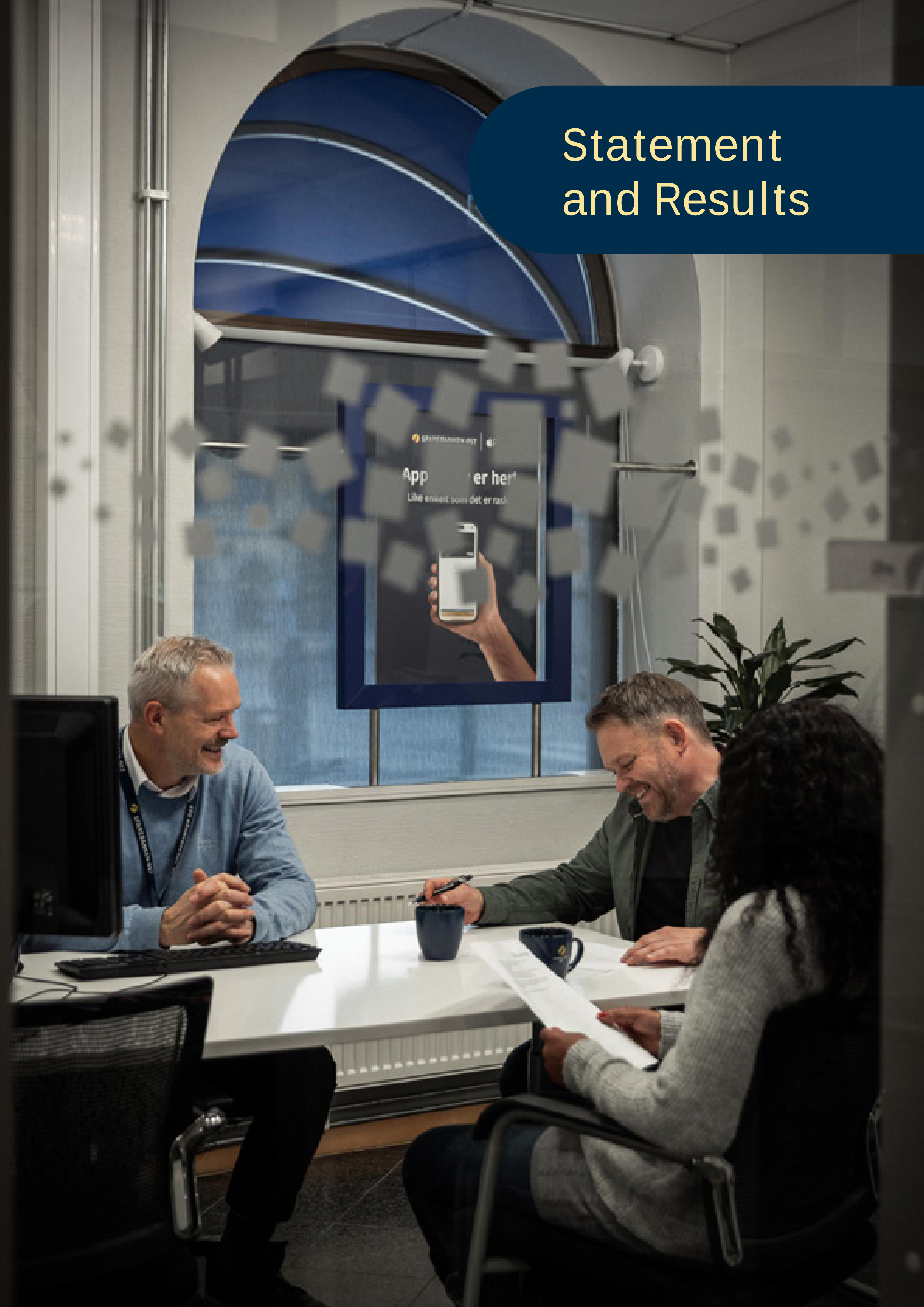
Statement and Results



Annual report

In 2024, the bank can report very strong results and increased return on equity. The bank's loan portfolios continue to carry low risk, and with high capital adequacy ratio calculated using the standard method, and a high leverage ratio, Sparebanken Øst ranks among the most financially solid larger banks in Norway.

KEY FIGURES

NOK million / %	2024	2023
Profit adter tax	523,3	440,6
Earnings per equity certificate	6,80	5,67
Return on equity*	11,77	9,87
Net interest income as a percentage of average total assets	2,02	1,85
Cost-to-income ratio (before losses)*	34,61	37,73
Common equity tier 1 capital ratio (%)	18,59	18,67

* Defined as an alternative performance measure
For definitions of key figures and a description of alternative performance measures, see page 181.

The bank's 182nd year of operations delivered a record-high profit after tax of NOK 523.3 million (NOK 440.6 million), resulting in a return on equity of 11.77% (9.87%). The return on equity exceeds the long-term target of 10%. The bank is highly satisfied with this performance, particularly in light of its strong capital position and the fact that it applies the standardised approach for calculating risk weights.

In a market characterized by low credit growth and strong competition for lending customers, the bank recorded a loan growth of -2.3% in 2024. Within the retail customer segment through the branch channel, the bank delivered very strong performance in 2024, with a 12 month loan growth of 6.6%. The lending volume in the concept channel fluctuates based on the desired level of competitiveness.

The bank continues to report very low loan losses and a low level of non-performing exposures. The bank remains highly solid, with a Capital adequacy ratio of 18.59%.

Earnings per equity certificate amounted to NOK 6.80 (5.67). The Board of Directors proposes a cash dividend of NOK 6.40 (5.40) per equity certificate for 2024, totalling NOK 132.7 (111.9) million, and an allocation of NOK 331.4 (279.6) million to charitable donations. The proposed distributions represent 94.2% (95.2%) of the Group's annual profit attributable to the equity certificate holders and the primary capital.

Strategy and goals

Sparebanken Øst aims to be a leading savings bank in central Eastern Norway, which we define as our main market. With a combination of physical and digital distribution, we are a modern traditionalist and provider of financial services.

Our business concept is to be a non-affiliated, independent and locally managed provider of financial services, to enable people in general, along with small and medium-sized enterprises, to exploit their financial resources in the best possible manner.

We want to be a profitable bank run according to business principles. Its financial performance each year and over time must help ensure the Group achieves its targets. The Bank's return target is for the Group to have a return on equity of 9 per cent over time. The Group's capital adequacy target is a ratio at least equal to the regulatory requirement plus a margin of 1.0 percentage point.

Refer to the more detailed discussion of the bank's strategy under 'Strategic ambitions' from page 12 onwards.

Report on the financial statements

The financial statements have been prepared in accordance with IFRS Accounting Standards, as approved by the EU.

The Board hereby confirms that the conditions for the presentation of the financial statements under the going concern assumption are present.

NET INTEREST INCOME

Net interest income amounted to NOK 931.6 million, up from NOK 828.8 million in the same period last year. The net interest margin, as a percentage of average total assets, was 2.02%, up from 1.85%.

Interest income on loans to customers has increased compared to 2023, mainly as a result of the seven interest rate hikes implemented in 2023, following the interest rate increases from Norges Bank. Interest rate adjustments on the loan portfolio are made with notification periods, leading to a significant lag compared to the interest rate changes on the bank's market financing.

In 2024, the policy rate has remained stable at 4.50%, and the previously mentioned lag has now been caught up. Interest expenses on securities debt are closely tied to developments in money market rates. The increase in interest expenses in 2024 compared to 2023 is explained by a higher average money market rate. In 2023, the money market spread was higher than a normalized level, while the spread in 2024 has been at a stable and more normalized level. As a result, lending margins have improved in 2024, and the net interest margin as a percentage of average total assets has increased.

Net interest income

Amounts in NOK million	2024	2023
Loans to & receivables from financial institutions	21,0	15,7
Lending to customers	2.370,0	1.950,8
Certificates and bonds	333,8	273,9
Other interest income	3,7	4,5
Total interest income	2.728,5	2.244,9
Liabilities to financial institutions	6,5	9,3
Customer deposits	499,4	312,5
Securities issued	1162,3	993,7
Senior subordinated bonds	86,0	59,0
Subordinated loan capital	29,4	25,4
Other interest costs	13,2	16,3
Total interest costs	1.796,8	1416,2
Net interest income	931,7	828,7
Net interest income as a percentage of average total assets	2,02	1,85

NET OTHER OPERATING INCOME

Net other operating income amounted to NOK 108.1 million (NOK 88.0 million).

Net commission income amounted to NOK 43.3 million (NOK 43.3 million).

The net result effect from investments in Eksportfinans and Frende is NOK 8.8 million higher than in 2023. Dividend income from Eksportfinans amounts to NOK 64.0 million (NOK 0.3 million), of which NOK 15.5 million is ordinary dividend for 2023, and NOK 48.5 million represents an extraordinary distribution of retained earnings from previous years. In connection with the received dividend, a negative value adjustment of NOK 32.9 million (NOK 0.0 million) has been recognized on the shares, resulting in a net result effect of NOK 31.0 million (NOK 0.0 million) in 2024. Dividend income from Frende amounts to NOK 19.2 million (NOK 45.6 million). A value adjustment of NOK 4.1 million (NOK 0.0 million) has been recognized on the shares in Frende, resulting in a net result effect of NOK 23.3 million compared to NOK 45.6 million in 2023.

Dividend income from shares in Visa Inc., Kraft Bank, and other equities amounted to NOK 4.2 million (NOK 0.3 million). Net value changes on the Bank's investments in Norwegian Block Exchange (NBX), Kraft Bank, Visa Inc., and Norne Securities amounted to NOK 16.9 million, approximately NOK 9.6 million higher than in 2023.
Result effects from buybacks, currency, derivatives, and fixed-rate loans measured at fair value amounted to NOK -12.6 million (NOK -10.6 million).

Net other operating income

Amounts in NOK million	2024	2023
Net commission income	43,3	43,3
Dividend	87,4	45,9
Net value change and gains/losses on certificates and bonds*	-18,3	-1,9
Net value change and gains/losses on shares	-11,9	7,3
Net value change and gains/losses on fixed-interest loans	-2,6	1,3
Net value change and gains/losses on other financial instruments	8,3	-10,0
Other operating income	2,0	2,0
Net other operating income	108,1	88,0

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

OPERATING COSTS

Operating expenses amounted to NOK 359.8 million (NOK 345.9 million). Measured as a percentage of income, the cost level was 34.6% (37.7%).

Salaries and personnel expenses totaled NOK 196.5 million (NOK 194.7 million).

Other operating expenses amounted to NOK 135.9 million (NOK 122.3 million). The increase is mainly attributable to higher IT costs and increased expenses for legal assistance.

Operating costs

Amounts in NOK million	2024	2023
Salaries and other personnel costs	196,5	194,7
Depreciation/impairment of tangible and intangible assets	27,3	29,0
Other operating costs	135,9	122,3
Total operating costs	359,8	345,9
Costs as a % of average total assets	34,6	37,7
Costs as a percentage of average total assets	0,78	0,77

IMPAIRMENTS AND NON-PERFORMING COMMITMENTS

Losses on loans, unused credit facilities, and guarantees amounted to NOK 13.6 million (NOK 6.7 million). The increase of NOK 7.0 million is explained by higher loss provisions in AS Financiering of NOK 3.6 million, and increased loss provisions in the retail market of NOK 6.3 million due to reversed model-based loss provisions in 2023. Loss provisions in the corporate market have been reduced by NOK 2.1 million in 2024 compared to 2023, as a result of lower model-based losses.

Loss costs

Amounts in NOK million	2024	2023
Lending to retail customers of the parent and mortgage credit company	2,5	-3,8
Lending to business customers	0,1	2,2
Lending at AS Financiering	11,6	8,0
Unused credit and guarantees	-0,6	0,2
Total loss costs	13,6	6,7
Losses as a percentage of net lending to customers (OB)	0,04	0,02

The total loan loss provisions amount to NOK 112.2 million (109.9 million), equivalent to 0.30% (0.29%) of gross loans to customers. The share of individually assessed loan loss provisions is NOK 84.9 million (83.7 million). The bank's loan loss provisions are primarily related to AS Financiering.

Loan loss provisions

Amounts in NOK million	2024	2023
Lending to retail customers of the parent and mortgage credit company	16,9	14,6
Lending to business customers	6,4	6,5
Lending at AS Financiering	88,0	87,4
Unused credit and guarantees	1,0	1,5
Total loan loss provisions	112,2	109,9
Loan loss provisions as a percentage of gross lending to customers	0,30	0,29

The net impaired engagements are low, amounting to NOK 233.0 million (194.6 million), equivalent to 0.61% (0.51%) of net loans to customers. The increase of NOK 38.4 million from 2023 is due to a single business engagement with an expected payment default, but the collateral security is currently assessed to have sufficient value.

Non-performing commitments

Amounts in NOK million	2024	2023
Lending to retail customers of the parent and mortgage credit company	79,2	80,9
Business customers	71,7	30,4
AS Financiering	168,3	168,3
Total gross non-performing commitments	319,2	279,6
Loan loss provisions for non-performing commitments.	86,2	85,0
Net non-performing commitments	233,0	194,6
Net non-performing commitments as a percentage of net lending	0,63	0,51

INCOME TAX

The income tax expense amounts to NOK 142.9 million (123.7 million), corresponding to 21.4% (21.9%) of profit before tax.

Proposed allocation of profits for 2024

It is the parent bank's profit after tax allocated to the equity certificate holders and the primary capital, adjusted for transfers to/from the unrealised gains reserve, that forms the basis for the appropriation of the annual profit.

The parent bank's profit for 2024 amounts to NOK 468.6 million. The hybrid capital investors' share of the parent bank's profit totals NOK 30.5 million. This portion comprises interest expenses and buyback costs on subordinated bonds, where the interest paid is presented as a distribution of paid interest from equity. The profit allocated to the equity certificate holders and the primary capital therefore amounts to NOK 438.2 million. Following a transfer of NOK 30.5 million from the unrealised gains reserve, the parent bank's basis for profit appropriation totals NOK 468.6 million. The Board of Directors proposes the appropriation for 2024 as shown in the following statement:

(figures in NOK millions)		
Parent bank's profit		**468,6**
Hybrid capital holders' share of the result		-30,5
Parent bank's profit allocated to equity certificate holders and the foundation fund		**438,2**
Transferred from the fund for unrealized gains		30,5
Parent bank's basis for profit allocation		**468,6**
Cash dividend to equity certificate holders	132,7	
Allocation to charitable donations	331,4	
Total distributions		**464,1**
To the equalisation fund	1,3	
To the foundation fund	3,2	
Total to equity		**4,5**
Total allocated		**468,6**

The proposed cash dividend amounts to NOK 6.40 per equity certificate, totalling NOK 132.7 million. This year's allocation to charitable donations is historically high, amounting to NOK 331.4 million. Both the dividend to equity certificate holders and the donations to charitable purposes represent 94.2% of the Group's profit allocated to the equity certificate holders and the primary capital, respectively. The proposed profit appropriation for 2024 means that 99.0% of the parent bank's profit allocated to the equity certificate holders and the primary capital— including transfers from the unrealised gains reserve—will be distributed as dividends and allocated to donations, in accordance with Section 10-17 of the Financial Institutions Act.

Pursuant to the Financial Institutions Act, the Board of Directors is required to notify the Financial Supervisory Authority of Norway (Finanstilsynet) when proposing distributions that exceed half of the annual profit. The Board's assessments regarding the prudence of the proposed distributions for 2024 are further detailed in a separate chapter below.

Liabilities related to donations in the balance sheet at year-end consist exclusively of donations that have been approved for distribution and for which binding commitments have been made to specific recipients. As of 31 December 2024, this amounts to NOK 20.6 million. For the 2024 financial year, the Board has proposed a distribution of NOK 331.4 million in donations to charitable purposes. Sparebanken Øst has assessed that the need related to planned donations and binding commitments to specific recipients totals NOK 35.3 million. As a result, NOK 14.7 million is proposed to be recognised as a liability in the bank's balance sheet following the Supervisory Board meeting, in addition to the already recognised NOK 20.6 million. The appropriation to Øst Allmennyttig Gavestiftelse will thus amount to NOK 316.7 million.

The Board's proposed distributions are in line with the bank's current dividend policy, which was amended on 13 July 2023. The amendment entails that, in the coming years, the bank aims to distribute up to 100 percent of the profit in the form of dividends to equity certificate holders and donations to charitable purposes, while maintaining a long-term target of distributing up to 50 percent of the profit. The Board's proposed appropriation for 2024 ensures that the bank's ownership fraction remains unchanged at 28.59 percent.

THE BOARD'S PRUDENCE ASSESSMENT FOR 2024

The requirements of the Financial Institutions Act for a prudence assessment
The dividends on equity share capital and primary capital must not be set higher than is justifiable and consistent with prudent and good conduct under due consideration for losses that may be incurred following the end of the accounting year, or that may be expected to be incurred, as well as based on the need to build up equity in the bank. If the Board of Directors decides to submit a proposal for distribution which entails that the total dividend in a single year will exceed half of the profit according to the approved income statement for the last financial year, the Board must notify the Financial Supervisory Authority of Norway of the proposal. The Financial Supervisory Authority of Norway may, where the financial institution's solvency so requires, order the institution not to distribute a dividend or to distribute less than what has been proposed by the Board of Directors or adopted by the General Meeting (Section 10-6 of the Financial Institutions Act).

Losses that may have occurred after the end of the financial year, or which must be expected to occur, are recognised in the Bank's quarterly and annual accounts based on IFRS standards, including IFRS 9 Financial Instruments. The Bank's need for equity is discussed in the ICAAP for 2023. The total capital requirement is expressed through the Bank's capital target, which equals the regulatory requirement plus a capital margin of 1.0 per cent. Sparebanken Øst uses the standard method when calculating its capital requirement. Comparable savings banks mainly use the IRB method for this purpose. The standard method requires significantly higher capital weights than the IRB method for identical risk and identical customers. Compared with banks that use the IRB method, Sparebanken Øst's real loss-absorbing capacity is therefore considerably higher than for IRB banks, other things being equal.

Outlook for the Norwegian and international economy
The Board has given particular consideration to national and international macroeconomic conditions related to inflation, employment, and economic development, as well as the broader impact of geopolitical factors. The Board's assessments are based, among other things, on the Monetary Policy Report 4/2024 issued by Norges Bank. The Board's prudence assessment assumes that uncertainty remains in the international economy, with low global growth expected in 2025. In light of developments among our key trading partners, inflation appears to be under control, although the risk of renewed inflation cannot be ruled out. For example, there is uncertainty surrounding the future framework for global trade in light of the changing political landscape in the United States. The Board anticipates modest but positive growth in the Norwegian economy in 2025, with continued weak yet positive growth expected in the years ahead. Strong growth in the housing market is expected, supported by a robust labour market, anticipated real wage growth, population growth, and a persistently limited housing supply. Norges Bank forecasts continued increases in house prices, with estimated growth of 5.4% in 2025, 8.1% in 2026, and 6.4% in 2027. Uncertainty remains regarding the demand for commercial property, as well as the outlook for the retail sector and certain service industries.

Assessments by the Board of Directors
The Board assesses that the bank has very high quality in its loan portfolio, and the risk of losses and defaults going forward is still considered low. The ongoing macroeconomic uncertainty is expected to have a limited impact on the bank's lending activities in the future. At the end of 2024, the net impaired engagements as a percentage of net loans stand at 0.63%. This is an increase from 0.51% at the end of 2023, due to a single business customer engagement with an expected payment default, but where the collateral is deemed sufficient. Losses in 2024 are somewhat higher than in 2023, but still at a very low level, amounting to 0.04% of net loans to customers.

The bank has limited exposure to commercial property loans, with NOK 2.0 billion, equivalent to approximately 5.4% of the bank's gross loans. In 2022, the exposure was reduced as a risk-reducing measure due to increased macroeconomic uncertainty. The bank's share of loans to business customers is low, representing 9.7% of gross loans. The bank continuously analyzes the composition of tenants in the commercial properties it has financed. The bank has low exposure to vulnerable industries, including construction and development projects, craft services, hotels and restaurants, and retail related to sports and leisure. The proportion of loans to individuals is 90.3% of total loans. The average loan-to-value ratio in the mortgage portfolio is 54.3%, and 97.7% of the mortgages have a loan-to-value ratio below 85%.

The Board assesses that the risk related to access to liquidity and the management of the liquidity portfolio is relatively low, and that the ongoing macroeconomic uncertainty has a limited impact on the bank's access to financing. The Board expects that value fluctuations related to liquidity management will be limited going forward. There is good access to liquidity in the Norwegian capital market. The liquidity portfolio has low credit risk and limited duration.

The Board has also considered the outlook related to the bank's ownership in Frende Forsikring and assesses the risk as relatively low. In 2023 and 2024, there were several natural disasters and large claims payouts, which are considered to be natural fluctuations in the industry. The underlying profitability of Frende is still considered to be good, and with further price increases to compensate for claims inflation, the underlying insurance profitability is expected to be maintained over time.

The bank's shares in Eksportfinans AS are considered to be minimally impacted by the macroeconomic environment, as the company has a very limited operation and substantial equity. The bank's investments in NBX AS and Kraft Bank ASA are collectively very limited in amount, and the consequences of the macroeconomic environment going forward are considered to be very low for the bank.

The proposed distributions result in the ownership share remaining unchanged at 28.6 percent. The Board is aware that the Financial Supervisory Authority interprets Section 10-17, first paragraph, of the Financial Institutions Act to mean that dilution of the ownership share is contrary to the aforementioned provision.

Conclusion of the Board of Directors

The Board concludes that the bank has a strong risk-bearing capacity, with a Tier 1 capital ratio of 18.6 percent, which, among other things, enables future growth in lending to customers. The Board assesses the risk in the bank's balance sheet as low, also in comparison with banks that fully or partially use IRB models in their capital adequacy calculations. For 2025, the bank expects loan growth to be in line with overall credit growth.

As of today, the Board has no plans to reduce the bank's capital base during 2025, apart from the repurchase of equity certificates related to the employee savings program (up to NOK 5 million).

The Board assumes that the risk assessments and stress tests used in the 2024 ICAAP remain relevant and conservative, taking into account the national and international macroeconomic situation. Based on the above, the Board sees no need to make extraordinary changes to the bank's ICAAP, including reassessing the bank's capital targets. The Board believes there are no circumstances as of 11 February 2025 that would warrant retaining all or part of the 2024 profit as equity in the bank.

In its assessment of prudence, the Board has chosen not to take into account the expected changes in capital requirements regulations (CRR3/"Basel IV").

Main items on the balance sheet

Total assets amounted to NOK 46.4 (45.4) billion at the end of 2024.

LENDING TO CUSTOMERS

Net loans to customers amount to NOK 37.0 billion, representing a decrease of NOK 0.9 billion, or -2.3 percent over the past 12 months.

Net loans to retail customers amount to NOK 33.4 billion, representing a decrease of NOK 0.6 billion, or -1.6 percent over the past 12 months. Within the branch channel (Sparebanken Øst), the bank has experienced very strong loan growth. Loan growth to retail customers in the branch channel was 6.6 percent over the past 12 months. In AS Finansiering, loan growth was -0.4 percent over the same period. Loan growth to retail customers in digital concepts (Sparebanken Øst) was -21.4 percent over the past 12 months. Retail customers in the concept channel are significantly more exposed to competition than those in the branch channel, and loan volumes will vary based on the desired level of competitiveness. Loans and credit to retail customers are generally provided against collateral in the form of real estate. The bank has very low exposure related to loans and credit without associated security. Over time, the bank has prioritized offering loans to customers with low loan-to-value ratios. The loan-to-value ratio in the mortgage portfolio is, on average, 54.3 percent, calculated based on the value of the collateral at the time the loan was approved. Given the group's high share of loans to retail customers, primarily distributed geographically across the central Eastern Norway region, the retail customer portfolio is considered to have low-risk customers in a housing and labor market that is expected to function well over time. Gross loans to retail customers account for 90.3 percent of total loans to customers. Net loans to business customers amount to NOK 3.6 billion, representing a decrease of NOK 0.3 billion over the past 12 months. The bank takes a cautious approach to business customers, requiring good collateral and low loan-to-value ratios. Exposure to commercial real estate makes up a relatively large portion of the business portfolio but a very limited share of the bank's total loan portfolio. The bank's loans to commercial real estate are modest at NOK 2.0 billion, which represents approximately 5.4 percent of gross loans in the bank, a decrease from NOK 2.5 billion, or about 6.6 percent, at the end of 2023. The bank has no exposure to the oil and oil-related industry or the fishing and aquaculture industry. Additionally, the bank generally has little direct or indirect exposure to construction and development projects, craft services, accommodation/food services, import/export businesses, and larger industrial and commercial operations. There is minimal direct and indirect exposure to retail businesses beyond grocery stores.

DEPOSITS FROM CUSTOMERS

Customer deposits amount to NOK 16.9 billion, an increase of NOK 1.0 billion, or 6.4 percent, over the past 12 months. The deposit coverage ratio is 45.6 (41.9) percent. Deposits from retail customers amount to NOK 10.2 (10.1) billion. Deposits from business customers amount to NOK 6.7 (5.8) billion.

LIQUIDITY AND FINANCING

The bank maintains a conservative approach to liquidity risk, ensuring prudent liquidity management so that the group at all times has sufficient liquidity to meet its obligations as they fall due. The bank should be able to operate its normal business for a period of at least 12 months without access to external financing. The bank assumes credit risk through the management of liquidity reserves and surplus liquidity. It intends to hold interest-bearing securities with low credit risk for liquidity purposes (as a reserve for disposal if needed) and as a basis for collateral in central bank borrowing facilities. The bank's liquidity risk is continuously monitored, and updated overviews of the bank's total counterparty risk are maintained.

The holding of certificates and bonds amounts to NOK 7.8 billion (NOK 5.9 billion).

The short-term liquidity target, measured by the LCR, exceeds the bank's established threshold of 102 percent and stands at 362.6 percent (250.1 percent).

The bank's balance sheet composition, along with a liquidity strategy that results in a high proportion of securities eligible in the LCR calculation, means that the group will report a high LCR during periods with few or no market funding maturities.

Debt securities amount to NOK 21.7 billion (NOK 21.7 billion). In addition, the bank has senior non-preferred (SNP) debt with a nominal value of NOK 1.6 billion (NOK 1.5 billion). The bank considers its access to market funding to be good. The degree of stable and long-term funding, measured by the NSFR, is 133.4 percent (127.7 percent). The average maturity of market funding is 3.0 years (3.0 years). The share of short-term funding (defined as funding with a remaining maturity of less than one year) amounts to NOK 3.0 billion at year-end.

FRENDE FORSIKRING

The bank holds a stake in Frende Holding AS (Frende), the parent company of Frende Skade AS and Frende Liv AS (Frende Insurance). The bank's ownership increased in 2024 from 13.03 percent to 14.70 percent as Haugesund Sparebank and Sparebanken Sogn og Fjordane exited Frende. The bank purchased its pro-rata share of the shares at prices of NOK 520.0 and NOK 768.8 per share, respectively.

As the bank does not have significant influence over the company, the equity holding is valued at fair value with changes in value and income recognition of received dividends reflected in the result. The bank's equity holding has been valued, among other methods, based on historically observed transaction prices. After a comprehensive assessment, including relevant transaction prices, such as those with Haugesund Sparebank and Sparebanken Sogn og Fjordane, the holding was valued at NOK 543.6 million at year-end. This corresponds to NOK 546.9 per share, up from NOK 518 per share at the end of 2023. In 2024, the bank recognized a net positive effect on its results of NOK 23.3 million related to dividends and value changes on its shares in Frende.

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 195.0 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 owns 72.22 per cent of the shares in Vipps 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 67.9 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 7.2 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 25.0 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 2.5 million.

Events after the balance sheet date

On February 7, 2025, Sparebanken Øst received an offer from DNB Bank ASA to sell its entire holding of shares in Eksportfinans ASA. Sparebanken Øst currently owns 12,787 shares in Eksportfinans ASA, representing an ownership stake of 4.85 percent in the company.
The offer proposed is NOK 18,940 in cash per share in Eksportfinans ASA. The bank has accepted the offer. The offer is subject to several conditions that must be met before the transaction can be completed. If a transaction is completed in 2025 under the terms outlined in the offer, Sparebanken Øst is expected to recognize a positive result effect of approximately NOK 80 million. The sale of the bank's shares in Eksportfinans ASA is not expected to result in significant changes to the bank's capital adequacy.

Øst Allmennyttig Gavestiftelse

The Financial Supervisory Authority (Finanstilsynet) communicated in March 2021 an expectation that savings banks should practice a dividend and donation policy that ensures a stable ownership ratio between equity certificate capital and foundation capital. In 2022, the bank revised its dividend policy in line with Finanstilsynet's expectations. The new dividend policy led to a significant increase in donations to charitable causes, which highlighted the need for a donation foundation. During the work on establishing the foundation, the bank became aware of ambiguities in the legislative process for the Financial Institutions Act (Prop. 125 L 2013/2014) regarding whether a savings bank can provide donation funds to a charitable foundation, which would then distribute these funds to charitable purposes. In September 2022, the bank approached Finanstilsynet to seek clarification on the matter. In November 2023, the bank received a response from Finanstilsynet confirming that savings banks are allowed to donate funds to a charitable foundation, which would subsequently distribute the funds to charitable causes. In July 2024, the bank decided to establish Øst Allmennyttig Gavestiftelse and, during the third quarter of 2024, transferred funds to the foundation that had been allocated for charitable purposes.

Capital adequacy

The CET 1 capital ratio stands at 18.59 percent (18.67 percent) at the end of 2024.

The current Pillar 2 requirement for Sparebanken Øst is 1.1 percent, of which at least 56.25 percent of the requirement must be covered by CET 1 capital, and at least 75 percent must be covered by Tier 1 capital. This requirement came into effect on September 30, 2023. The systemic risk buffer requirement for banks using the standard method is 4.5 percent. Given the current capital requirements, this results in a total CET 1 capital ratio requirement of at least 14.62 percent at the end of the quarter. In addition to the Financial Supervisory Authority's expectation of a capital requirement margin of at least 1.0 percent, the total regulatory requirement is a minimum of 15.62 percent.

The capital target for Sparebanken Øst is expressed as follows: The Sparebanken Øst group shall have a minimum capital adequacy ratio corresponding to the regulatory requirement plus a capital margin of 1.0 percentage point. Based on the current regulatory requirements at the end of the quarter, the target for the capital adequacy ratio is a minimum of 19.60 percent. The minimum level for the CET 1 capital ratio is correspondingly 15.62 percent.

Net subordinated capital amounts to NOK 4.6 billion at the end of the quarter, of which the group's core Tier 1 capital totals NOK 4.1 billion. With a calculation base of NOK 20.4 billion, this corresponds to a capital adequacy ratio of 22.75 percent, with the Capital adequacy ratio standing at 20.30 percent. The leverage ratio is 8.73 percent (8.89 percent) at the end of 2024. The current regulatory requirement for the leverage ratio is 3.0 percent. The bank's established target for the leverage ratio is expressed as follows: Sparebanken Øst should maintain a capital margin of at least 2.0 percentage points for the leverage ratio.

Capital level*

per cent	2024	2023
CET1 capital ratio	18,59	18,67
Tier 1 capital ratio	20,30	20,40
Capital adequacy	22,75	22,37
Leverage ratio	8,73	8,89

*Reported capital level excl. share of interim profit

MREL

Sparebanken Øst is one of a number of banks in Norway that the Financial Supervisory Authority has tasked with crisis management in the event of financial crises, to ensure 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 Financial Supervisory Authority of Norway has made a decision on MREL effective from 1 January 2024. The requirement for 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. In August 2024, the bank received a letter from the Financial Supervisory Authority (Finanstilsynet) stating that the authority had made a new assessment of which banks are considered to have critical functions under the Financial Institutions Act § 20-15 (3) letter a. The renewed assessment means that Sparebanken Øst is no longer considered to have critical functions, and therefore, the bank will not have a requirement for subordination related to the MREL requirement. The bank has issued NOK 1.6 billion in senior non-preferred bonds.

Significant differences in treatment of equal risk between banks

Sparebanken Øst bases its capital calculations on the principles in the standard method, which according to the current regulations means that loans with the same risk are subject to far higher risk weights when compared with the approach of banks that use risk weights set out in IRB models. As a result, Sparebanken Øst holds much more equity for its loans than banks that can use IRB models for all or parts of their loan portfolios. The removal of the Basel I floor for Norwegian IRB banks from December 31, 2019, significantly changed the competitive landscape in the Norwegian market and also affects return performance.

Sparebanken Øst applies a risk weight of 35 percent on home loans with a loan-to-value ratio of 80 percent or lower, while banks using IRB models apply a risk weight of approximately 21 percent. For loans to commercial real estate, the bank applies risk weights starting from 100 percent, while banks using IRB models apply risk weights of around 40 percent.

The European Parliament adopted a new and more risk-sensitive standard method for calculating capital requirements for credit risk (CRR3/"Basel IV") on May 31, 2024. The Ministry of Finance has issued an amendment regulation to the CRR/CRD regulations, but the amendment will not come into effect until CRR3 is incorporated and in force under the EEA Agreement. CRR3 will take effect in the EEA after constitutional reservations in Liechtenstein and Iceland have been lifted. The Ministry of Finance is working to ensure that CRR3 can come into effect in Norway as soon as possible.

Based on figures as of December 31, 2024, the overall effect for Sparebanken Øst is estimated to result in an increase of approximately 4.4 percentage points in the pure leverage ratio. Isolated, this means an increased lending capacity for mortgages of approximately NOK 14 billion, assuming the current level of pure leverage ratio as a basis.

Based on figures as of December 31, 2024, the bank has estimated that the effective risk weight for the mortgage loan portfolio will decrease from approximately 36 percent to 26 percent, which represents an increase of approximately 4.0 percentage points in the pure leverage ratio.

The change in risk weights related to loans secured by commercial real estate and operational risk is estimated to result in a slight positive effect, while the change in risk related to equity positions is expected to have a slight negative effect over time.

Sustainability and corporate social responsibility

Sparebanken Øst pays considerable attention to sustainability and corporate social responsibility. Sustainability is embedded in all areas of our business and it underpins our strategic ambitions to provide great customer experiences, ensure compliance and deliver on financial targets. The bank will primarily use positive influence, but may also choose not to finance certain commitments that are not aligned with the bank's strategy.

In 2023 and subsequent years, the bank will focus strongly on climate and environmental impact in its loan portfolios. The bank also takes corporate social responsibility in a number of other areas, including grants for good causes. Please see further discussion of sustainability and corporate social responsibility in the bank's chapter on sustainability from page 30 and on the bank's contribution to society through grants for good causes from page 24.

The Bank aims to reduce its own and financed emissions and has a target of net zero emissions by the year 2050. In 2023, the Bank set interim targets to be achieved by 2030 measured against the base year 2019. The Bank's interim targets include a 25 per cent reduction in CO_2 emissions in the overall portfolio, a 50 per cent reduction in CO_2 emissions internally and a 50 per cent increase in the proportion of green loans. In the future, the Bank will work to specify measures to help achieve these goals and to expand qualitative and quantitative reporting on both greenhouse emissions and climate risk. For further information on direct and financed emissions, please refer to "Climate and environment" from page 37 in the chapter on Sustainability.

The bank has established a green framework for issuing green bonds and financing green lending. The establishment of a green framework is part of the bank's strategy of using the green bond market to contribute to the green transition. As a savings bank, we can have a positive influence through close dialogue with our customers and by helping them to make sustainable choices. The bank offers customers both green mortgages and green first-home loans, as well as green car loans through subsidiary AS Financiering. Sparebanken Øst Boligkreditt AS issued its first covered green bond in January 2023, and has issued a total of NOK 2.5 billion based on the green framework.

Sparebanken Øst has conducted due diligence assessments of suppliers in accordance with the Transparency Act. The report under the Transparency Act for 2024 will be published by June 30, 2025, in accordance with Section 5 of the Transparency Act, and will be available at https://www.oest.no/om-oss/baerekraft/apenhetsloven. For further details, refer to the section on "Responsible Value Chain" in the sustainability chapter on page 58.

Corporate governance

The management of Sparebanken Øst is based, among other things, on the Financial Institutions Act, the Public Limited Liability Companies Act and the Norwegian Code of Practice for Corporate Governance (the NUES Code of Practice). Good corporate governance in Sparebanken Øst helps to safeguard the interests of employees, depositors, equity certificate holders and other external stakeholders in Sparebanken Øst. Corporate governance is the overall responsibility of the Board of Directors and must ensure that bodies and functions comply with the regulations and that the business activities are managed in an effective and purposeful manner over time. See further discussion in the bank's report on corporate governance from page 68. For a presentation of the Bank's Board of Directors and senior management and how the Bank is organised, please refer to the review from page 21.

The bank has director's liability insurance covering the members of the Board, the CEO, other members of management or similar governing bodies at the bank, and any past or current/future employees of the bank who could incur personal management liability. The insurance covers liability for economic loss, including personal liability for the Group's debts arising from claims raised against the bank during the insurance period relating to an alleged liability-bearing act or omission in the insured's capacity of Board member, CEO or member of management or equivalent governing body at the bank. In this context, economic loss is any financial loss not directly arising from physical injury or damage to a person or object. The director's liability insurance has amount limits.

Risk management and compliance

Pursuant to section 13-5 (1) of the Financial Institutions Act, the bank must be organised and operated properly. This involves having a clear organisational structure, clear division of responsibilities, clear and appropriate management and control systems, and appropriate guidelines and routines for identifying, managing, monitoring and reporting risks to which the bank is or may be exposed. The bank's Board of Directors and executive management team bear ultimate responsibility for risk management and internal control. The Board adopts the overall risk strategy and approves principles for monitoring, control, and risk thresholds. The executive management team regularly reports to the Board on all significant risks, including the actual level of risk compared with established limits. An annual report on internal control, including confirmation that internal control has been carried out, is also produced together with an overall annual risk assessment.

Risk management must support the bank's development and achievement of objectives and must ensure financial stability and responsible business operations.

The process for risk management and internal control at the bank is described in more detail in the "Risk management and internal control" section under "Corporate governance" from page 73 onwards.

Banking requires a certain degree of risk-taking, but the bank seeks to take a conscious and measured approach to the risk it has or assumes. This applies to the most significant risk areas for losses, which are credit risk, market risk, liquidity risk, climate risk and operational risk. The strategy documents adopted by the bank have established risk tolerances, limits and targets within these risk areas. The significant risk areas are discussed in more detail under "Risk" from page 17 in the chapter on "Strategic ambitions".

People and organisation

Sparebanken Øst's strategy is to be a market-oriented organisation and an attractive employer for competent and responsible people, who want to actively contribute to the bank achieving its goals. The bank wants to ensure that its employees are given opportunities to develop, an inclusive working environment and a flexible working day. This makes Sparebanken Øst a forward-looking organisation. For further details, refer to the discussion on "Competence" in the section on "Strategic Ambitions" on page 16, and under "Sustainability" in the sections on:

- Economic and sustainability expertise – page 50
- Human rights, diversity and inclusion– from page 52
- Responsible advice and competence development – page 60
- Health and safety – from page 61

Total sick leave in 2024 amounted to 5.4 (4.4) percent of total working hours. The sickness absence in 2024 breaks down to 2.3 percent for men and 7.6 percent for women. No personal injuries were recorded during 2024.

Sparebanken Øst continuously develops, digitizes, and streamlines work and credit processes. In 2024, no independent research activities were carried out, and no internal costs related to development activities were capitalized.

The Board of Directors and the management would like to commend the employees of Sparebanken Øst for their excellent efforts in 2024.

Rating

Sparebanken Øst has a long-term deposit and issuer rating of A1 from Moody's Investor Services, and Sparebanken Øst Boligkreditt AS holds a corresponding issuer rating of A1. Following the Financial Supervisory Authority's renewed assessment of critical functions, which concluded that Sparebanken Øst is no longer considered critical, the ratings were placed "under review for downgrade" in September 2024. This was due to Moody's uncertainty regarding whether Sparebanken Øst would maintain its level of senior non-preferred debt going forward, as this is no longer a regulatory requirement.
Moody's concluded its review in November and affirmed the long-term issuer ratings of both Sparebanken Øst and Sparebanken Øst Boligkreditt AS at A1, as well as Sparebanken Øst's long-term deposit rating at A1, all with stable outlooks. This conclusion reflects Moody's expectations that the bank will continue to maintain sufficient loss-absorbing debt relative to its total balance sheet.

Covered bonds issued by Sparebanken Øst Boligkreditt AS are rated AAA by Moody's.

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 holds a license as a credit institution with the right to issue covered bonds. Through the market, the mortgage company plays a crucial role in securing the Group's long-term and favorable market funding. At the end of 2024, the company had total assets of NOK 20.0 billion, consisting primarily of first-priority residential mortgage loans financed through covered bonds and a credit facility from the parent bank. The company maintains a low loan-to-value (LTV) ratio in its cover pool. As of year-end 2024, the LTV ratio was 47.6 (46.7) percent.
The company recorded a profit after tax of NOK 125.1 (84.7) million in 2024. It has no employees but purchases services from Sparebanken Øst.

AS Financiering main product is secured loan financing for used cars. At the end of 2024, the company had total assets of NOK 2.8 billion. In 2024, the company had a profit of NOK 54.1 (41.8) million. The company has 15 employees, corresponding to 15 FTEs.

Sparebanken Øst Eiendom AS manages properties belonging to the Bank. The company's operating income totalled NOK 6.4 (6.2) million in 2024. In 2024, the company had a profit of NOK 2.9 (2.2) million. The company has 1.2 employees, corresponding to 1.2 FTEs.

Øst Prosjekt AS main purpose is to take over projects and to undertake industrial and commercial activities to hedge and realise exposed positions in the parent bank. In 2024, the company reported a net loss of NOK 0.3 (0.3) million.

Dividend policy

The Board of Directors has assessed the bank's dividend policy in light of the bank's capital strength and risk tolerance. New expected rules for calculating capital for standard banks, effective from January 1, 2025, have been taken into account, and the Board has decided that continuing the current dividend policy is prudent. Sparebanken Øst's financial objective is to achieve results that provide a good and stable return on the bank's equity and create value for the equity certificate holders through competitive returns in the form of dividends and capital appreciation of the equity certificates. We will work to ensure that our dividend policy over time results in a stable ownership ratio.

The annual profit will be distributed between the equity certificate holders and the community capital in accordance with their respective share 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.

The macro situation

The macroeconomic situation in Norway remained relatively unchanged throughout 2024, and economic growth has been modest since mid-2022. High inflation and several interest rate hikes from Norges Bank have contributed to reducing demand in the Norwegian economy. However, inflation has significantly eased, with inflation in Norway at 2.2% year-on-year in December 2024. Core inflation was measured at 2.7% for the same period, which is more than a halving since the peak in 2022.

The Norwegian krone weakened by 5.6% against the euro and 6.9% against the dollar throughout 2024. Norges Bank has kept the policy rate unchanged at 4.5% throughout the year, and the money market has remained stable.

Employment and unemployment have remained relatively stable in 2024. At the end of the year, Statistics Norway's labor force survey shows that the unemployment rate is 4.1%, an increase of 0.3 percentage points from the previous year-end. This is still low compared to the EU (around 6%) and Sweden (over 8%). A tight labor market, weak productivity growth, and a weak krone compared to our key trading partners may make it challenging to bring inflation down to the target of 2%, which could result in interest rates remaining higher for a longer period than previously expected.

The economic growth of Norway's trading partners remains weak, with few signs of significant recovery in the EU and the USA. The conflicts in the Middle East and the war in Ukraine have so far not spread to neighboring countries, and oil prices have remained relatively stable. This is positive for both the Norwegian and global economies.

Housing investments in Norway continued to decline in 2024 and are now nearly 32% lower than two years ago. House prices, adjusted for seasonal variations, increased by 1.5% in Q4 2024, with prices rising in 10 of 11 regions. Throughout 2024, house prices in Norway increased by a total of 6.4%. Norges Bank still expects an increase in house prices, with forecasts of 5.4% for 2025, 8.1% for 2026, and 6.4% for 2027. Reduced housing investments have negatively impacted demand for home loans, but credit growth for households has increased somewhat over the autumn and was 3.9% in November 2024. Prior to the pandemic, this growth was close to 6% (source: SSB, et al.).

Future prospects

The growth in the Norwegian economy has been cautious, and Norges Bank estimates GDP growth of 0.9% for the mainland economy in 2024, with activity expected to increase somewhat, leading to a growth of 1.4% in 2025. It is projected that consumption growth will rise, while both housing and business investments will increase. Public demand is expected to grow, but somewhat less than in recent years. Petroleum investments are also expected to grow.

Unemployment remains low, and a large proportion of the population is employed. Unemployment has increased slightly since it was at its lowest level in the summer of 2022, and there are signs that pressure in the labor market is beginning to ease somewhat. Norges Bank expects employment to increase a little less than the labor force, and that unemployment will rise slightly going forward.

Inflation has significantly decreased from its peak, but it is expected to remain above the inflation target for some time. Expectations of lower inflation and delayed interest rate cuts by our trading partners have contributed to a further weakening of the krone. Together with gradual growth in the Norwegian economy, low and stable unemployment, and inflation still above the target, doubts have arisen about whether Norges Bank will deliver as many interest rate cuts in 2025 as previously forecasted. One interest rate cut is expected in March 2025, while the market has become more uncertain about whether there will be more than one further cut throughout the year.

A high price growth for housing is expected in 2025. The anticipated interest rate cuts from Norges Bank will make home loans cheaper, and low unemployment combined with high wage growth will increase purchasing power. Changes to the lending regulations, including a reduction in the down payment requirement for home loans from 15% to 10%, could also contribute to higher housing prices. Limited housing construction means fewer new homes are entering the market. Both sales and the initiation of new housing projects have been low in recent years, which will put pressure on prices for existing homes.

Lending growth at the bank has varied over time, and it is expected to align with the general credit growth in society moving forward. Credit growth to households has increased somewhat from low levels, and a modest increase is expected in the future as well. Norges Bank estimates that growth will be around 3.8% in the coming years, up from 3.4% in 2023 and 3.6% in 2024. The bank's growth in the retail market is expected to come from home loans, both through the branch network and digital channels, as well as from sales-based financing of used cars. Growth in lending to the corporate market is expected to occur in the group's defined market areas, where the main product is repayment loans secured by real estate. Intense competition for lending is expected to continue. Bank deposit margins have increased over the past year, and increased competition is expected, putting pressure on deposit margins moving forward.

Sparebanken Øst is a cost-efficient bank and believes that a low cost level provides a competitive advantage. The bank has maintained a stable and low cost level over time and will continue to have good cost control going forward. High price growth, rising wages, and anticipated increases in IT costs are expected to affect cost development in the future.

Banking involves risk, and losses on loans and guarantees to customers cannot be ruled out. However, a relatively low level of impaired engagements and low losses are expected moving forward.

The market values of securities, including bonds and stocks, will fluctuate over time, and losses may occur. The group's bond holdings are maintained for liquidity purposes and carry a low risk of loss.

Through its ownership and as a distributor of Frende Insurance and Norne Savings Products, Sparebanken Øst has an ongoing collaboration with the other banks that own the "Frende companies." Sparebanken Øst has decided not to join the Frende group at this time. The other owners of the Frende group have accepted that Sparebanken Øst can join the collaboration at a later date. Sparebanken Øst continues as an owner in Frende Holding AS and a distributor of Frende insurance products.

Sparebanken Øst will also continue to be an owner in Norne Securities AS and distribute selected products from the company. Sparebanken Øst has not had ownership interests or operations related to Verd Boligkreditt AS and Brage Finans AS, as the bank has its own companies for similar operations. In recent years, Sparebanken Øst has not had ownership or operations related to Balder Betaling AS, as the bank manages its ownership in Vipps Holding AS through direct ownership. Sparebanken Øst may consider participating in individual projects within the collaboration if deemed appropriate. EU The Parliament adopted a new and more risk-sensitive standard method for calculating capital requirements for credit risk (CRR3/"Basel IV") on May 31, 2024. The Ministry of Finance has issued an amendment to the CRR/CRD regulations, but the amendment will not take effect until CRR3 is incorporated and in force within the EEA Agreement. CRR3 will come into effect in the EEA Agreement once constitutional reservations in Liechtenstein and Iceland are lifted. The Ministry of Finance is working to ensure that CRR3 can come into effect in Norway as soon as possible.
The new and more risk-sensitive proposed standard method will provide better competitive conditions with lower capital requirements in pillar 1. The current differential treatment of banks using the standard method, compared to banks using the IRB method, will be reduced. However, it is expected that banks like Sparebanken Øst will still face a competitive disadvantage compared to IRB banks due to the differential treatment. For this reason, Sparebanken Øst is working to ensure that the regulatory framework for Norwegian banks becomes more uniform, allowing all banks to have equal competitive conditions.

In August 2023, the government appointed a committee (the savings bank committee) with a mandate to, among other things, review the capital structure of savings banks and the regulations around customer dividends, as well as assess the need for regulatory changes in these areas. The savings bank committee's report was published on November 18, 2024, with a consultation deadline of February 3, 2025. The review of the consultation responses is currently ongoing. Ongoing processes create some uncertainty about the capital structure of savings banks and the position of equity certificates.

<u>Hokksund, 31. December 2024</u>
Drammen, 4. March 2025

Øivind Andersson Chairman	Cecilie Hagby Vice Chairman	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

Annual Financial Statement

Contents

INCOME STATEMENT

Group 2024	Group 2023	Figures in NOK millions	Notes	Parent Company 2024	Parent Company 2023
2.383,4	1.962,2	Interest income from assets measured at amortized cost	14,42	816,8	818,5
345,1	282,7	Interest income from assets measured at fair value	14,42	707,2	435,9
1.796,9	1.416,1	Interest expenses	14,42	944,4	704,7
931,6	**828,8**	**NET INTEREST INCOME**		**579,5**	**549,7**
92,2	90,9	Commission income and income from banking services	15	113,7	112,7
48,9	47,6	Commission costs and costs for banking services	15	18,4	17,1
87,4	45,9	Dividend	16	213,8	160,1
-24,5	-3,3	Net value adjustment and gain/loss on financial instruments	17	-21,2	1,1
2,0	2,0	Other operating income	18	4,6	4,6
196,5	194,7	Salaries and personnel costs	19,37	177,5	176,0
27,3	29,0	Depreciation/impairment of tangible and intangible assets	31,32	25,9	27,6
135,9	122,3	Other operating costs	20	109,5	96,0
679,9	**570,9**	**PROFIT BEFORE LOSSES**		**559,0**	**511,5**
13,6	6,7	Losses on loans, unused credit and guarantees	10	1,4	-0,2
666,2	**564,2**	**PROFIT BEFORE TAX**		**557,6**	**511,8**
142,9	123,7	Income tax	21	89,0	85,1
523,3	**440,6**	**PROFIT FOR THE YEAR**		**468,6**	**426,7**
30,5	29,3	Hybrid capital owners' share of the result		30,5	29,3
492,9	411,3	Equity certificate holders' and primary capital share of profits		438,2	397,4
523,3	**440,6**	**PROFIT FOR THE YEAR**		**468,6**	**426,7**
6,80	5,67	Earnings per equity certificate (NOK)	41	6,04	5,48
6,80	5,67	Diluted earnings per equity certificate (NOK) 4	41	6,04	5,48

STATEMENT OF COMPREHENSIVE INCOME

Group 2024	Group 2023	Figures in NOK millions	Notes	Parent bank 2024	Parent bank 2023
523,3	**440,6**	**PROFIT FOR THE YEAR**		**468,6**	**426,7**
		Items that will not be reclassified to the income statement			
12,5	-20,3	Actuarial gains and losses on defined-benefit plans	37	12,1	-19,2
-3,1	5,1	Tax related to items that cannot be reclassified	21,37	-3,0	4,8
		Items that may subsequently be reclassified to the income statement			
0,0	0,0	Lending at fair value	17	-0,1	-0,4
0,0	0,0	Tax related to items that may be reclassified 1	17,21	0,0	0,1
532,7	**425,4**	**STATEMENT OF COMPREHENSIVE INCOME**		**477,6**	**412,0**

BALANCE SHEET

Group 31.12.24	Group 31.12.23	Figures in NOK millions	Notes	Parent bank 31.12.24	Parent bank 31.12.23
		ASSETS			
431,1	417,3	Cash and receivables from central banks	22	431,1	417,3
18,2	16,5	Loans to and receivables from financial institutions	22	2.905,5	3.041,7
37.003,2	37.877,1	Lending to customers	4,9,10,22,27	15.464,0	17.051,1
7.756,0	5.914,0	Certificates and bonds	22,25,28	7.445,6	5.601,9
26,2	67,6	Financial derivatives	22,23,24,25	26,2	67,6
877,4	809,6	Shares and units	22,25,29	877,4	809,6
0,0	0,0	Ownership interests in Group companies	30	1.820,0	1.800,0
34,3	33,0	Intangible assets	31	25,6	22,3
12,8	13,1	Investment properties	32	0,0	0,0
134,6	122,8	Property, plant and equipment	32	83,9	73,7
33,5	40,2	Lease rights	32	63,7	73,0
0,0	0,0	Deferred tax asset	21	2,3	10,1
98,3	67,4	Other assets	33	96,1	64,7
46.425,6	**45.378,6**	**TOTAL ASSETS**		**29.241,4**	**29.032,9**
		LIABILITIES AND EQUITY			
164,7	219,6	Liabilities to financial institutions	22,34	1.045,2	858,2
16.882,7	15.860,8	Customer deposits	4,22	16.933,1	15.909,1
21.715,9	21.658,5	Securities issued	22,35	4.199,3	5.115,2
190,9	147,4	Financial derivatives	22,23,24,25	113,1	97,7
95,4	433,8	Other liabilities	36	89,2	427,6
39,4	60,2	Pension liabilities	37	38,6	57,8
146,1	126,7	Tax payable	21	96,3	90,0
16,5	4,5	Deferred tax	21	0,0	0,0
1,0	1,5	Provisions, unused credit and guarantees	10	0,4	1,0
35,0	41,5	Lease liabilities		66,5	75,5
1.612,8	1.508,2	Subordinated senior bonds	22,38	1.612,8	1.508,2
503,4	402,4	Subordinated loan capital	22,39	503,4	402,4
41.403,6	**40.465,0**	**TOTAL LIABILITIES**		**24.697,9**	**24.542,7**
595,1	595,1	Paid-up equity	41	595,1	595,1
351,4	353,7	Hybrid capital	40	351,4	353,7
4.075,5	3.964,8	Retained earnings		3.597,1	3.541,4
5.022,0	**4.913,6**	**TOTAL EQUITY**	6	**4.543,6**	**4.490,2**
46.425,6	**45.378,6**	**TOTAL LIABILITIES AND EQUITY**		**29.241,4**	**29.032,9**

Hokksund, 31. December 2024
Drammen, 4. March 2025

Øivind Andersson
Chairman

Cecilie Hagby
Vice Chairman

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

CHANGES IN EQUITY

Changes in equity – Group

		Paid-up equity		Hybrid capital	Retained earnings				
(Amounts in NOK millions) **2024**	**Total equity**	**Equity certificate**	**Premium reserve**	**Hybrid bonds**	**Equalisation fund**	**Primary capital**	**Donations fund**	**Fund for unrealised gains**	**Other equity**
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**
Ordinary profit	523.3	0.0	0.0	30.5	134.0	334.6	0.0	-30.5	54.7
Actuarial gains and losses on defined-benefit plans	9.4	0.0	0.0	0.0	2.6	6.5	0.0	0.0	0.3
Comprehensive income	**532.7**	**0.0**	**0.0**	**30.5**	**136.6**	**341.1**	**0.0**	**-30.5**	**55.0**
Dividend to equity certificate holders 2023 approved	-111.9	0.0	0.0	0.0	-111.9	0.0	0.0	0.0	0.0
Donations to public benefit purposes 2023 approved	-279.6	0.0	0.0	0.0	0.0	-279.6	0.0	0.0	0.0
Paid interest on hybrid capital	-32.5	0.0	0.0	-32.5	0.0	0.0	0.0	0.0	0.0
Issuance of new hybrid capital	150.0	0.0	0.0	150.0	0.0	0.0	0.0	0.0	0.0
Redemption of hybrid capital	-150.2	0.0	0.0	-150.2	0.0	0.0	0.0	0.0	0.0
Equity at 31.12.2024	**5,022.0**	**207.3**	**387.8**	**351.4**	**497.6**	**2,691.8**	**38.1**	**369.2**	**478.8**

The proposed dividend for the equity certificate holders for the year, amounting to 132.7 million NOK (6.40 NOK per equity certificate), is included as part of the equalization fund, and the proposed allocation for public benefit donations for the year, amounting to 331.4 million NOK, is included as part of the foundation capital until they are finally approved by the supervisory board.

		Paid-up equity		Hybrid capital	Retained earnings				
(Amounts in NOK millions) **2023**	**Total equity**	**Equity certificate**	**Premium reserve**	**Hybrid bonds**	**Equalisation fund**	**Primary capital**	**Donations fund**	**Fund for unrealised gains**	**Other equity**
Equity at 31.12.2023	**4,792.3**	**207.3**	**387.8**	**352.9**	**443.0**	**2,555.3**	**38.1**	**397.3**	**410.7**
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 approved	-78.8	0.0	0.0	0.0	-78.8	0.0	0.0	0.0	0.0
Donations to public benefit purposes 2022 approved	-196.8	0.0	0.0	0.0	0.0	-196.8	0.0	0.0	0.0
Paid interest on hybrid capital	-27.8	0.0	0.0	-27.8	0.0	0.0	0.0	0.0	0.0
Issuance of new hybrid capital	200.0	0.0	0.0	200.0	0.0	0.0	0.0	0.0	0.0
Redemption of hybrid capital	-200.7	0.0	0.0	-200.7	0.0	0.0	0.0	0.0	0.0
Egenkapital pr. 31.12.2023	**4,913.6**	**207.3**	**387.8**	**353.7**	**473.0**	**2,630.3**	**38.1**	**399.7**	**423.8**

Changes in equity – parent bank

(Amounts in NOK millions) 2024	Total equity	Paid-up equity: Equity certificate	Paid-up equity: Premium reserve	Hybrid capital: Hybrid bonds	Retained earnings: Equalisation fund	Retained earnings: Primary capital	Retained earnings: Donations fund	Retained earnings: Fund for unrealised gains	Retained earnings: Changes in value through CI as reclass.
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**
Ordinary profit	468,6	0,0	0,0	30,5	134,0	334,6	0,0	-30,5	0,0
Change in lending at fair value through comprehensive income	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Actuarial gains and losses on defined-benefit plans	9,0	0,0	0,0	0,0	2,6	6,5	0,0	0,0	0,0
Comprehensive income	**477,6**	**0,0**	**0,0**	**30,5**	**136,6**	**341,1**	**0,0**	**-30,5**	**0,0**
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
Grants for good causes 2023 – adopted	-279,6	0,0	0,0	0,0	0,0	-279,6	0,0	0,0	0,0
Paid interest on hybrid capital	-32,5	0,0	0,0	-32,5	0,0	0,0	0,0	0,0	0,0
Issuance of new hybrid capital	150,0	0,0	0,0	150,0	0,0	0,0	0,0	0,0	0,0
Redemption of hybrid capital	-150,2	0,0	0,0	-150,2	0,0	0,0	0,0	0,0	0,0
Equity at 31.12.2024	**4.543,6**	**207,3**	**387,8**	**351,4**	**497,6**	**2.691,8**	**38,1**	**369,2**	**0,3**

The proposed dividend for the equity certificate holders for this year, amounting to NOK 132.7 million (NOK 6.40 per equity certificate), is included as part of the equalization fund, and the proposed allocation for charitable donations of NOK 331.4 million is included as part of the core capital until they are finally approved by the supervisory board.

(Amounts in NOK millions) 2023	Total equity	Paid-up equity: Equity certificate	Paid-up equity: Premium reserve	Hybrid capital: Hybrid bonds	Retained earnings: Equalisation fund	Retained earnings: Primary capital	Retained earnings: Donations fund	Retained earnings: Fund for unrealised gains	Retained earnings: Changes in value through CI as reclass.
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**
Ordinary profit	426,7	0,0	0,0	29,3	112,9	282,1	0,0	2,4	0,0
Change in lending at fair value through comprehensive income	-0,3	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-0,3
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
Comprehensive income	**412,0**	**0,0**	**0,0**	**29,3**	**108,8**	**271,8**	**0,0**	**2,4**	**-0,3**
Dividend to equity certificate holders 2023 – adopted	-78,8	0,0	0,0	0,0	-78,8	0,0	0,0	0,0	0,0
Grants for good causes 2023 – adopted	-196,8	0,0	0,0	0,0	0,0	-196,8	0,0	0,0	0,0
Paid interest on hybrid capital	-27,8	0,0	0,0	-27,8	0,0	0,0	0,0	0,0	0,0
Issuance of new hybrid capital	200,0	0,0	0,0	200,0	0,0	0,0	0,0	0,0	0,0
Redemption of hybrid capital	-200,7	0,0	0,0	-200,7	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**

CASHFLOW STATEMENT

Group 2024	Group 2023	Figures in NOK millions	Note	Parent bank 2024	Parent bank 2023
		Operating activities			
666,2	564,2	Profit/loss before income tax		557,6	511,8
		Adjusted for:			
16,8	12,1	Change in net interest income earned and accrued interest costs		-13,1	-4,9
0,0	0,0	Net receipt/disbursement of loans to financial institutions		137,0	176,9
865,5	-1.043,5	Net receipts/disbursements of loans to customers		1.580,2	-725,4
-1.822,4	-264,9	Change in certificates and bonds		-1.824,1	-245,1
15,0	-7,3	Change in value of shares and units		15,0	-7,3
-19,7	40,3	Net change in financial derivatives (net assets and liabilities)		-19,7	10,1
-30,9	36,5	Net change in other assets		-31,4	26,6
0,0	0,0	Net inflow/outflow of loans to credit institutions		241,9	-86,4
1.022,7	93,2	Net inflow/outflow of customer deposits		1.024,8	71,6
-48,4	7,9	Changes in other liabilities related to operations		-51,1	-72,1
27,3	29,0	Depreciation of fixed assets, intangible assets, and lease rights		25,9	27,6
2,9	-3,5	Impairment of financial assets		1,7	-0,5
-15,5	-16,5	Amortization of financing activities measured at amortized cost		1,9	1,9
-3,0	-0,1	Net gain from investment activities		-3,0	-0,1
0,6	2,2	Net loss from financing activities		-1,0	-0,8
-125,7	-89,8	Taxes paid during the period		-88,9	-56,5
551,5	**-640,2**	**Net cash flow from operating activities**	**A**	**1.553,6**	**-372,7**
		Investing activities			
-19,4	-12,6	Payments on purchases of property, plant and equipment		-16,2	-8,6
0,4	0,9	Receipts from sale of property, plant and equipment		0,4	0,5
-11,3	-10,2	Payments on the purchase of intangible assets		-9,9	-8,6
-83,6	-6,2	Payments on purchases of financial investments		-83,6	-6,2
3,9	0,0	Proceeds from sales of financial investments		3,9	0,0
0,0	0,0	Payment concerning investments in subsidiaries		-20,0	0,0
-110,1	**-28,1**	**Payment concerning investments in subsidiaries**	**B**	**-125,5**	**-23,0**
		Financing activities			
-54,5	-54,5	Net receipts/disbursements for loans to/from financial institutions		-54,5	-54,5
-3.709,6	-3.768,3	Payments on repayment of securities	35,38,39	-1.699,0	-1.274,2
4.060,0	4.561,5	Receipts on issuance of securities	35,38,39	1.062,7	1.794,7
-689,0	-110,5	Payments for dividends and donations to charitable purposes		-689,0	-110,5
-150,2	-200,7	Payments for the redemption of hybrid capital		-150,2	-200,7
150,0	200,0	Proceeds from the issuance of hybrid capital		150,0	200,0
-32,5	-27,8	Payments for interest on hybrid capital		-32,5	-27,8
-425,9	**599,6**	**Payments for interest on hybrid capital**	**C**	**-1.412,6**	**326,9**
15,5	-68,7	Payments for interest on hybrid capital	**A+B+C**	15,5	-68,7
433,8	502,5	Cash and cash equivalents as at 1 Jan		433,8	502,5
449,3	**433,8**	**Holding of cash and cash equivalents as at 31 Dec**		**449,3**	**433,8**

The liquidity reserve includes NOK 431.1 million in cash and claims on central banks, and NOK 18.2 million in loans to and claims on credit institutions related to pure investments.

Group 2024	Group 2023	Additional information on operating activities relating to interest and dividend income	Parent bank 2024	Parent bank 2023
2.717,3	2.204,4	Interest payments received	1.513,4	1.226,2
1.784,5	1.388,4	Interest payments made	943,6	677,9
87,4	45,9	Dividends received	213,8	160,1

NOTE 1 - GENERAL INFORMATION

Sparebanken Øst is an equity certificate savings bank listed on the Oslo Stock Exchange. The bank is headquartered in Drammen, Norway. Its street address is Bragernes Torg 2, Drammen, Norway. The business address is Stasjonsgata 14, N-3300 Hokksund. Sparebanken Øst is non-aligned and has been operating savings bank activities without interruption since 1843.

At the end of 2024, the Bank also had branches in the municipalities of Øvre Eiker, Lier, Asker, Bærum, Oslo, Fredrikstad, Ullensaker, Lillestrøm, Horten, Tønsberg, Kongsberg, Ringerike, Holmestrand, Larvik and Modum. The Sparebanken Øst Group consists of the parent bank and the wholly owned subsidiaries Sparebanken Øst Boligkreditt AS, AS Financiering, Øst Inkasso AS, Øst Prosjekt AS with its subsidiaries Slagenveien 16 AS, Borreveien 44 AS and Jon Smørs Vei 7 AS, and Sparebanken Øst Eiendom AS with its subsidiaries Hawø Eiendom AS and Stasjonsgaten 14 AS.

Sparebanken Øst provides services within the areas of financing, savings and investment, money-transfer services, and insurance.

The annual financial statements for 2024 were reviewed and approved by the Board of Directors of Sparebanken Øst on 4 March 2025.

NOTE 2 - ACCOUNTING POLICIES

1. GENERAL INFORMATION

Sparebanken Øst's consolidated financial statements and the parent company's financial statements are prepared in accordance with current international accounting standards, International Financial Reporting Standards (IFRS), approved by the EU.

The basic principles of historical cost accounting are applied, with the exception of financial assets and liabilities measured at fair value. Where the Group uses hedge accounting, the value of the hedged object is adjusted for value adjustments associated with hedged risk. Interest-bearing balance sheet items include earned/accrued interest.

In the notes, all amounts are stated in millions of Norwegian kroner unless otherwise specified.

2. AMENDMENTS TO ACCOUNTING POLICIES

Changes in IAS 1 – Classification of debt as current or non-current

The changes relate to the presentation in the financial statements to clarify how debt and other obligations should be classified as current or non-current. The changes aim to promote consistent application of the requirements to determine whether debt and other obligations with uncertain settlement dates should be classified as current or not applicable. The changes came into effect on January 1, 2024. These changes have had no impact on the financial statements.

There are no other changes that have come into effect with a significant impact on the financial statements.

3. CONSOLIDATION

The consolidated financial statements cover the parent bank and all subsidiaries.

4. CURRENCY

The financial statements are presented in Norwegian kroner (NOK), which is also the functional currency for all companies in the group.

5. INTEREST INCOME AND COSTS

Interest income and expenses are recognized in the income statement using the effective interest method. The effective interest rate is determined by discounting the contractually agreed cash flows over the expected term. Interest income on impaired loans is calculated as the effective interest on the net carrying value.
Contractual interest income and expenses for balance sheet items measured at fair value through profit or loss are presented as interest income and expenses.

6. COMMISSION INCOME AND COSTS

Commission income and costs are recognised through profit and loss at the time the service is performed. Fees related to interest-bearing instruments are not recognised as commission, rather they are included in the calculation of the effective interest rate and are recognised through profit and loss accordingly.

7. FINANCIAL INSTRUMENTS

7.1 Recognition and derecognition

Financial assets and liabilities are recognised when the Group becomes a party to the instrument's contractual conditions.

Financial assets are derecognized if:

- The contractual right to receive cash flows from the financial asset expires, or
- The company has transferred the contractual right to receive the cash flows from the financial asset or retains the right to receive cash flows from a financial asset but simultaneously commits to transferring these to a counterparty, and either:
    - The company has transferred substantially all of the risks and rewards associated with the asset, or

- The company has neither transferred nor retained substantially all of the risks and rewards associated with the asset but has transferred control of the asset.

Derecognition of financial liabilities occurs when the conditions specified in the contract are met, canceled, or expired.

7.2 Classification and measurement
The group's financial instruments covered by IFRS 9 are classified as follows:

Financial assets:
- Amortized cost: Loans to customers with floating interest rates, cash and claims on central banks, and loans to and claims on credit institutions
- Fair value through profit or loss: Fixed-rate loans, certificates, bonds, equity instruments, and financial derivatives
- Loans at fair value through other comprehensive income: Loans intended for transfer to a housing credit institution (only in the parent bank)

Financial liabilities:
- Amortized cost: Debt to credit institutions, customer deposits, securities debt, subordinated senior bonds, and hybrid capital
- Fair value through profit or loss: Financial derivatives

Loans to customers
The group's loans and receivables, excluding fixed-rate loans, are measured at amortized cost. The classification is based on the group's business model, which aims to hold the instruments to receive contractual cash flows. The contractual terms of the financial asset give rise to cash flows that consist solely of payments of principal and interest on specified dates. The establishment fee is recognized as income over the expected life of the loan.

Fixed-rate loan
Fixed-rate loans are designated and measured at fair value through profit or loss to avoid accounting measurement inconsistencies arising from entering into interest rate derivatives to hedge interest rate risk.

Certificates and bonds
The holding of certificates and bonds, etc., constitutes the group's liquidity portfolio, which is managed and measured at fair value. The group's holdings of certificates and bonds are classified at fair value through profit or loss.

Equity instruments
The group's holdings of equity instruments are measured at fair value through profit or loss. Dividends received are recognized in the income statement once the group's right to receive payment has been established.

Securities debt
Securities debt is measured at amortized cost. Interest expenses and amortization effects on the instruments are included in "Interest expenses" in the income statement. The holding of own bonds is recorded as a reduction of debt. In the case of repurchase, the difference between the carrying amount and the paid consideration is recognized in the income statement.

Financial derivatives
Financial derivatives are accounted for at fair value through profit or loss. The derivative is recognized as an asset if the fair value is positive and as a liability if the fair value is negative.

Loans at fair value through other comprehensive income
The parent bank has a practice of transferring loans to its subsidiary, Sparebanken Øst Boligkreditt AS, which entails a business model where the parent bank both "receives contractual cash flows" and "sells loans." The portion of loans to customers identified as transferable to Sparebanken Øst Boligkreditt AS is measured at fair value in the parent bank, with changes in value recognized through other comprehensive income. Changes in the value of the loans, due to fair value measurement, are included in "Loans at fair value through other comprehensive income." Upon disposal, any accumulated gains or losses on loans that were previously recognized in other comprehensive income are reversed, and the gain or loss is recognized in "Net changes in value and gains/losses on financial instruments."

7.3 Hedge accounting
The Group mainly makes use of financial derivatives to reduce interest and/or currency risks.

The group uses fair value hedging for fixed-rate borrowings. Changes in the fair value of financial derivatives classified as, and meeting the requirements for, fair value hedging are recognized in the income statement together with any changes in the fair value of the hedged item attributable to the hedged risk. Interest rate swaps are used as hedging instruments in the group. Accrued interest from financial derivatives, where hedge accounting is applied, is presented on the same line in the income statement as interest on the hedged item.

Primarily, the group uses one-to-one hedges, meaning that, for example, nominal amounts and principal, terms, repricing dates, dates for receiving and paying interest and principal, as well as the basis for measuring interest, are the same for the hedging instrument and the hedged item.

7.4 Defaulted engagements, losses, and loan loss provisions

7.4.1 Defaulted engagements
A defaulted engagement is defined as a payment default if the following criteria are met:
- Arrears over 90 days
- The overdue amount is greater than 1,000 NOK for individual customers or greater than 2,000 NOK for business customers

- The arrears exceed 1% of the customer's total engagement

An engagement shall also be considered defaulted if situations arise that make it unlikely that the customer will be able to meet their obligations (the "unlikeliness to pay" criteria), including:

- It is assumed that debt negotiations, bankruptcy, or public administration will be initiated for the counterparty
- The terms have been modified due to payment issues, and it is assumed that this reduces the value of the cash flow by a significant amount
- A claim is sold at a discount, and the discount is not insignificant
- For other reasons, it is assumed that the obligation will not be fulfilled

Engagements are reported as defaulted during a minimum 3-month observation period after the default has ceased.

If a customer with a defaulted engagement has multiple engagements with the bank, all of the customer's engagements will be considered defaulted. For customers with joint engagements, a default on the joint engagement will result in all joint engagements between the same customers being considered defaulted.

Defaulted engagements are assigned to step 3.

Recognition of loss

Loss is recognized only when an engagement is no longer considered recoverable, including when a settlement or bankruptcy has been confirmed for the debtor, when enforcement proceedings have not been successful, there is a final judgment, or in cases where the bank has waived the loan or parts of it, or in other cases where it is highly probable that the losses are final. Recognized losses are recorded in the income statement to the extent that they are not covered by previously made individual loan loss provisions.

7.4.2 Measurement of expected credit loss (ECL)

Expected credit loss is calculated for financial assets which are debt instruments measured at amortised cost or at fair value with value adjustments through comprehensive income. The expected credit loss on the commitment amount consisting of loans, unused credit facilities and guarantees is calculated. Expected credit loss is calculated per commitment. The Group breaks down commitments into three stages when calculating expected credit loss. See Note 10 for model-based loss costs and loan loss provisions per stage and Note 9 for commitment totals per risk class and distribution per stage

Stage 1: Commitments that do not have a substantial increase in credit risk after initial recognition, measured by the change in the probability of default (PD), are included in Stage 1. For commitments in Stage 1, an expected 12-month loss is calculated on the basis of the commitment's exposure.

Stage 2: Commitments with a significant increase in credit risk after initial calculation, measured by the change in the probability of default (PD), including commitments overdue by more than 30 days, are included in Stage 2. For commitments in Stage 2, an expected lifetime loss is calculated on the basis of the commitment's exposure and expected duration. Commitments with forbearance are assigned to Stage 2 if they have not already been assigned to Stage 2 or Stage 3. If the credit risk is deemed to have significantly increased due to events that have occurred but that were not caught by the Bank's system for measuring probability of default (PD), commitments are assigned to Stage 2 if they have not already been assigned to Stage 2 or Stage 3.

Stage 3: Non-performing commitments, i.e. commitments that are in default or have objective evidence of loss, are included in Stage 3. The provisions for this stage consist of both individually assessed loan loss provisions and modelbased expected credit loss. For commitments for which there is an individual loss assessment, estimates of any credit loss are based on the size of expected future cash flows from sale of collateral etc., when the cash flows are expected to be paid and the discount rate.
The size of the loss is a direct function of the difference between the book value and the present value of the discounted future cash flows, discounted by the loan's effective interest rate. Where there are several probable outcomes, the probability-weighted present value of discounted future cash flows is used. For commitments for which there is no individual loss assessment, expected credit loss is calculated on the basis of the commitment's exposure, the segment parameter for expected credit loss, and expected duration.

Principle for calculation of expected credit loss: Losses per commitment are calculated. The loss estimates are based on the estimated 12-month and lifelong probability of default (PD) per customer. The Bank's commitments are further classified into segments based on the product, security, and other criteria, so each segment contains commitments with virtually the same risk profile. A loss given default (LGD) figure is determined for each segment. An expected commitment exposure is also determined. For repayment loans, the basis is an expected repayment plan. For credit lines and guarantees, the basis is an exposure at default (EAD). Expected credit loss (ECL) is calculated by multiplying probability of default (PD) x loss given default (LGD) x exposure at default (EAD). When calculating expected credit loss, probability-weighted calculations are made based on an analysis of alternative outcomes of observed credit losses and projected trends, including macroeconomic developments.

Probability of default (PD) at initial recognition: When a loan application is processed, a scoring model is used to estimate a 12-month probability of default for the customer. This probability forms the basis for measuring the material increase in credit risk, and is the probability of default (PD) used to calculate the expected credit loss in the first 6 months measured from the date of the loan application.

Probability of default (PD): In subsequent measurements, the portfolio scoring model is used, based on the estimated 12-month probability of default (PD). The portfolios are scored on a monthly basis with an updated probability of default (PD). The expected probability of default during the term of the commitment, used to calculate the expected credit loss in Stage 2, is derived from the probability of default in the first 12 months. For risk classes J and K, which cover non-performing commitments, the probability of default is 100 per cent.

Loss given default (LGD): The loss given default must reflect the degree of uncovered losses given the cash flow from the customer and any realisation of the collateral for nonperforming commitments. The loss ratio is assessed overall per segment and per product. Assessments of the realisation value of collateral reflect short and medium-term expectations.

Exposure at default (EAD): An expected repayment profile is determined per segment for repayment loans based on analyses of average maturity in the segments. For commitments with a credit limit, a determination is made of how much of the credit limit is expected to have been drawn at the time of default. The exposure at default is determined for guarantees.

Rules concerning a significant increase in credit risk: The Bank uses the change in the 12-month probability of default (PD) measured against the probability of default at initial recognition as the primary criterion for a material increase in credit risk. As a general principle, a doubling of the 12-month probability of default (PD) entails a significant increase in credit risk, assuming that the new probability of default (PD) is greater than 0.5 per cent. Loans with a significant increase in credit risk are transferred from Stage 1 to Stage 2. Nonperforming commitments are assigned to Stage 3. The Bank does not use the exemption for loans with low credit risk.

Reversal from Stage 2 and from Stage 3: When the criteria for a significant increase in credit risk (Stage 2) are no longer present, the commitment is transferred to Stage 1 after one month. For non-performing commitments in Stage 3, a quarantine period starts at least 90 days after the cause of the default has ceased. After the end of the quarantine period, the customer's behaviour and financial situation are assessed before they are given a clean bill of health.

Macroeconomic scenarios and probability weighting: Expected credit loss is calculated on the basis of the model parameters for the anticipated scenario. When assessing the macroeconomic situation and potential macroeconomic developments, two further scenarios are determined – one optimistic and the other pessimistic. On the basis of the anticipated scenario, a factor is set for how much the expected credit loss is expected to change in the optimistic and pessimistic scenarios respectively. The three scenarios are weighted in terms of probability and constituted the model-based expected credit loss. Factors and the probability of the scenarios are set based on the Group's internal assessments, which include the expected development in key macroeconomic indicators, including economic growth (GDP), house prices, interest rate levels and unemployment, as well as observed credit losses. The factor and probability of the scenarios are set individually for each segment in the Group.

8. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND INVESTMENT PROPERTIES

The acquisition cost model is used for the measurement of assets, including investment properties.

9. ACQUIRED ASSETS

Acquired assets taken over in connection with the management of defaulted engagements are valued at fair value at the time of acquisition.

10. LEASE AGREEMENTS

Upon entering into a contract, the group assesses whether the contract is or contains a lease in accordance with IFRS 16. Short-term agreements or leases where the underlying asset has a low value are not recognized.

11. PENSIONS

The group has defined benefit plans and a defined contribution plan.

Defined Benefit Plans

Pension obligations are calculated as the present value of the estimated future pension benefits that are considered accrued as of the balance sheet date.

12. STATEMENT OF CASH FLOWS

The statement of cash flows is prepared using the indirect method.

13. HYBRID CAPITAL

The group's hybrid capital consists of subordinated bonds that do not meet the definition of financial liabilities under IAS 32. These bonds are defined as perpetual, and the group has an unconditional right not to pay interest. Accrued interest on subordinated bonds is assigned to hybrid capital, while paid interest is accounted for as a payment from hybrid capital at the time of payment.

14. DIVIDENDS AND PROVISIONS FOR GIFTS

Dividends on equity certificates and provisions for charitable donations are recognized as equity in the period until they are approved by the bank's supervisory board. After approval by the supervisory board, these amounts are recognized as other liabilities on the balance sheet until paid. Liabilities related to donations on the balance sheet at the end of the year consist solely of donations that have been decided to be distributed and for which obligations have been entered into with specific recipients.

15. EVENTS AFTER THE BALANCE SHEET DATE
New information after the balance sheet date regarding the bank's financial position at the balance sheet date will be considered in the assessment of accounting estimates in the financial statements and will thus be reflected in the annual accounts. Events after the balance sheet date that do not affect the bank's financial position at the balance sheet date but are expected to affect the bank's financial position in the future are disclosed if material.

16. FUTURE CHANGES ACCOUNTING PRINCIPLES
Standards and interpretations that have been adopted up to the time of preparing the financial statements, but where the effective date is in the future, except those considered not relevant, are listed below. The group's intention is to implement the relevant changes at the effective date, provided that the EU approves the changes before the financial statements are prepared.

IFRS 18
Replaces IAS 1 and addresses investors' demands for better information about companies' financial performance. New requirements include: new categories and subtotals for profit or loss, disclosure of alternative performance measures, and improved requirements for aggregation and disaggregation of information. The standard will apply to annual reporting periods beginning on or after January 1, 2027, and must be applied retrospectively for comparative periods. We expect that the standard will result in changes to presentation, but that it will not affect the result.

NOTE 3 - ASSESSMENTS AND USE OF ESTIMATES

Due to the uncertainties associated with business activities, many accounting items cannot be accurately measured, but only estimated. The executive management team has exercised judgement in the application of the accounting policies and used assumptions and expectations of future events that are regarded as likely. Estimates and assessments are regularly evaluated and are based on the most recent reliable data available, as well as experience from similar assessments. There will always be an inherent uncertainty associated with financial items that are not measured accurately, and the executive management team’s assessments and best estimates may differ significantly from actual results.

In the Bank’s financial statements, the use of such estimates relates in particular to the measurement of the following items:

- Losses on loans, unused credit and guarantees
- Fair value of financial instruments
- Net pension liabilities

3.1 Losses on loans, unused credit and guarantees

3.1.1 Model-calculated expected credit loss

Using a model to calculate expected credit loss requires the exercise of judgement, and a degree of estimate uncertainty is therefore associated with model-based expected credit loss. The management team has used its discretion when determining the parameters included in the calculation. An expected credit loss model uses a significant number of parameters. The parameters for which the model is most sensitive and subject to the most uncertainty are: Probability of default, expected loss given default and probability weighting of the scenarios. Please see Note 10 for quantitative information and sensitivity analyses for modelcalculated expected credit loss.

3.1.2 Individually assessed loan loss provisions
Loans are written down for credit losses on a case by case (individual) basis if there is objective evidence that such credit losses have occurred. Objective evidence is considered to exist where the debtor has substantial financial problems, is in default on payments or otherwise in material breach of contract, or in the case of deferral of payments or new credit to pay amounts due, agreed changes in interest rates or other terms and conditions as a consequence of problems faced by the debtor, likelihood of the debtor entering into debt negotiations, other financial restructuring or that the debtor’s estate will be lost in bankruptcy proceedings. Estimates of any credit loss are based on the size of expected future cash flows from sale of collateral etc., when the cash flows are expected to be paid and the discount rate. The size of the loss is directly proportional to the difference between the book value and the present value of discounted future cash flows. Where there are several probable outcomes, the probability-weighted present value of discounted future cash flows is used. The main uncertainty when estimating the size of credit losses stems from the assessment of the size of the cash flows and when they are expected to be received. Individually assessed loan loss provisions are included in expected credit loss Stage 3. See also Note 10.

3.2 Fair value of f inancial instruments
In principle, observable market rates must be used as the basis for measuring financial instruments at fair value. Other valuation methods are used where there are no observable market rates in an active market and the fair value cannot be derived directly or indirectly from observable market input. These are methods that can involve using discretionary evaluations to some degree. Such discretionary evaluations may be liquidity risk, credit risk and volatility. Changes in the attitude toward these factors may affect the determination of the fair value of a financial instrument. See also Note 25 for information about the measurement of financial instruments at fair value.

NOTE 4 - OPERATING SEGMENTS

Segment reporting is based on the Bank's internal reporting format, in which the parent bank and the mortgage credit company are split into the retail market, the business market and the financial market. There are also other subsidiaries, as well as a non-reportable segment with items that are not allocated to other segments. Almost all the Group's income is earned in Norway.

For the purpose of management, the Bank is organised into five operating segments based on its products and services, as follows: The retail market and business market segments mainly consist of lending to and deposits from customers. Finance mainly consists of the Bank's liquidity portfolio, while the main product of AS Financiering is debenture financing of vehicles. Sparebanken Øst Eiendom AS is tasked with managing properties belonging to the Sparebanken Øst Group. Income from the retail market, business market and AS Financiering mainly comprises net interest income, while income from Sparebanken Øst Eiendom AS consists of income from real estate. Income taxes are managed on a group basis and not allocated to operating segments, except for subsidiaries that are reported as separate operating segments.

Interest rates are reported on a net basis since the majority of segment income is derived from interest income on loans. The executive management team primarily bases its work on net interest income and not gross interest income and costs. Transactions between operating segments are based on arm's length pricing equivalent to transactions with third parties. No single customer accounts for more than 10% of the Bank's total income in 2024 eller i 2023.

Income Statement

2024	Retail market	Corporate Market	Finance	AS Financiering	Sparebanken Øst Eiendom AS	Unallocated	Eliminations	Group
Net interest and commission income	460,9	153,9	-23,6	152,6	1,3	188,0	-1,7	931,6
Other income	58,8	5,0	-16,3	-24,5	6,4	86,5	-7,8	108,1
Operating costs	71,7	14,1	0,0	44,4	4,0	234,1	-8,5	359,8
Profit before losses	**448,0**	**144,8**	**-39,8**	**83,8**	**3,7**	**40,4**	**-0,9**	**679,9**
Losses on loans, unused credit and guarantees	3,2	-1,0	0,0	11,6	0,0	-0,2	0,0	13,6
Profit/loss before tax	**444,8**	**145,8**	**-39,8**	**72,2**	**3,7**	**40,6**	**-0,9**	**666,2**
Income tax	0,0	0,0	0,0	18,1	0,8	124,2	-0,2	142,9
Profit/loss after tax	**444,8**	**145,8**	**-39,8**	**54,1**	**2,9**	**-83,6**	**-0,7**	**523,3**

Income Statement

2023	Retail market	Corporate Market	Finance	AS Financiering	Sparebanken Øst Eiendom AS	Unallocated	Eliminations	Group
Net interest and commission income	423,4	155,3	-33,7	131,7	0,5	152,3	-0,7	828,8
Other 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**

Balanse

2024	Retail market	Corporate Market	Finance	AS Financiering	Sparebanken Øst Eiendom AS	Unallocated	Eliminations	Group
Lending to customers	30.195,3	3.444,5	0,0	2.753,6	0,0	617,6	-7,8	37.003,2
Other assets	2,5	0,2	7.982,3	69,5	88,5	4.088,2	-2.808,9	9.422,4
Total assets	**30.197,8**	**3.444,7**	**7.982,3**	**2.823,1**	**88,5**	**4.705,7**	**-2.816,7**	**46.425,6**
Customer deposits	10.685,9	2.909,1	3.175,8	0,0	0,0	151,0	-39,2	16.882,7

Other liabilities/offsetting	19.511,9	535,6	4.806,5	2.339,2	10,4	-311,9	-2.370,7	24.520,9
Equity	0,0	0,0	0,0	484,0	78,2	4.866,6	-406,7	5.022,0
Total liabilities and equity	**30.197,8**	**3.444,7**	**7.982,3**	**2.823,1**	**88,5**	**4.705,7**	**-2.816,7**	**46.425,6**

Balance sheet

2023	Retail market	Corporate Market	Finance	AS Financiering	Sparebanken Øst Eiendom AS	Unallocated	Eliminations	Group
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**

Lending, Guarantees and deposits by geographic area

Group Gross lending		Group Guarantees			Parent bank Gross lending		Parent bank Guarantees	
2024	**2023**	**2024**	**2023**		**2024**	**2023**	**2024**	**2023**
7.301,8	7.370,5	13,0	15,6	Drammen	3.465,5	3.782,1	13,0	15,6
2.398,6	2.252,5	6,1	4,6	Øvre Eiker	1.318,5	1.303,6	6,1	4,6
2.550,8	2.540,8	2,5	2,6	Buskerud for øvrig	1.401,7	1.560,1	2,5	2,6
4.753,3	4.596,7	0,7	0,1	Asker	2.007,4	2.306,2	0,7	0,1
4.816,3	5.081,5	0,0	0,1	Akershus for øvrig	1.729,9	1.896,3	0,0	0,1
6.357,3	7.272,8	2,4	2,6	Oslo	2.713,2	3.300,8	2,4	2,6
2.088,6	1.994,9	0,1	0,6	Østfold	748,5	700,9	0,1	0,6
3.435,3	3.191,0	0,4	0,6	Vestfold	1.528,7	1.480,3	0,4	0,6
3.398,0	3.674,7	0,0	0,0	Resten av landet	563,0	733,3	0,0	0,0
14,4	10,0	0,0	0,0	Utlandet	5,4	3,6	0,0	0,0
37.114,4	**37.985,5**	**25,3**	**26,7**	**Total**	**15.481,8**	**17.067,1**	**25,3**	**26,7**

Group Deposits			Parent bank Deposits	
2024	**2023**		**2024**	**2023**
5.897,1	5.376,1	Drammen	5.948,0	5.424,4
2.521,9	2.416,2	Øvre Eiker	2.521,8	2.416,2
986,3	962,8	Buskerud for øvrig	986,3	962,8
812,9	709,7	Asker	812,9	709,7
1.026,1	794,1	Akershus for øvrig	1.026,1	794,1
2.576,3	2.566,0	Oslo	2.576,2	2.566,0
346,3	305,5	Østfold	346,3	305,5
789,3	746,4	Vestfold	789,4	746,4
1.814,9	1.854,8	Resten av landet	1.814,8	1.854,8
111,5	129,3	Utlandet	111,5	129,3
16.882,7	**15.860,8**	**Total**	**16.933,1**	**15.909,1**

Lending, Guarantees and deposits by sector and industry

Group	Gross lending		Guarantees		Potential exposure via overdraft facilities	
	2024	2023	2024	2023	2024	2023
Salaried employees	33.510,1	34.061,6	0,3	0,6	3.752,0	3.865,0
Public administration	7,1	7,1	0,0	0,0	0,0	0,0
Agriculture, forestry, fishing, etc.	86,7	93,5	0,3	0,3	17,0	15,7
Industry and mining, power and water supply	24,0	50,3	0,1	0,1	15,6	4,8
Building and construction	688,9	551,5	3,1	4,8	39,9	74,9
Wholesale and retail/hotels and restaurants	74,7	93,5	2,8	5,4	19,7	23,4
Transport and communications	14,6	14,1	4,3	3,8	3,4	2,2
Business financial services	114,7	133,1	2,9	2,9	2,2	5,3
Other service industries	537,5	468,3	1,3	1,6	12,7	19,8
Real estate sales and operation	2.041,7	2.502,5	10,2	7,4	89,2	21,5
Abroad	14,4	10,0	0,0	0,0	0,5	2,7
Total	**37.114,4**	**37.985,5**	**25,3**	**26,7**	**3.952,0**	**4.035,0**

Parent bank	Gross lending		Guarantees		Potential exposure via overdraft facilities	
	2024	2023	2024	2023	2024	2023
Salaried employees	12.058,6	13.339,3	0,3	0,6	611,6	795,9
Public administration	7,1	7,1	0,0	0,0	0,0	0,0
Agriculture, forestry, fishing, etc.	82,1	92,0	0,3	0,3	17,0	15,7
Industry and mining, power and water supply	18,7	41,3	0,1	0,1	15,6	4,8
Building and construction	650,8	508,3	3,1	4,8	37,0	71,9
Wholesale and retail/hotels and restaurants	54,1	66,9	2,8	5,4	19,7	23,4
Transport and communications	2,3	6,3	4,3	3,8	1,0	1,1
Business financial services	97,5	114,6	2,9	2,9	2,6	5,8
Other service industries	458,6	381,3	1,3	1,6	15,2	21,0
Real estate sales and operation	2.046,5	2.506,5	10,2	7,4	89,2	21,5
Abroad	5,4	3,6	0,0	0,0	0,5	0,5
Total	**15.481,8**	**17.067,1**	**25,3**	**26,7**	**809,3**	**961,3**

Group Deposits			Parent bank Deposits	
2024	2023		2024	2023
10.074,0	9.975,6	Salaried employees	10.073,0	9.975,0
622,5	333,5	Public administration	622,5	333,5
107,7	139,7	Agriculture, forestry, fishing, etc.	107,7	139,7
1.167,8	1.131,5	Industry and mining, power and water supply	1.167,8	1.131,5
659,8	647,4	Building and construction	659,8	647,4
406,9	477,1	Wholesale and retail/hotels and restaurants	406,9	477,1
251,6	175,2	Transport and communications	251,6	175,2
1.145,5	924,6	Business financial services	1.145,5	924,6
1.426,1	870,1	Other service industries	1.426,0	870,0
960,9	1.057,0	Real estate sales and operation	960,9	1.105,9
59,9	129,3	Abroad	111,5	129,3
16.882,7	**15.860,8**	**Total**	**16.933,1**	**15.909,1**

NOTE 5 - FINANCIAL RISK MANAGEMENT

Credit risk, market risk and liquidity risk are considered financial risks. Concentration risk is also discussed. Risks are reported quarterly to the executive management team and Board of Directors. The reporting describes the current status in relation to various set limits for risk, both internal and statutory. An internal risk committee has been established to handle and assess all significant risk areas that may affect the Group's operations and objectives, including financial and operational risk.

Credit risk
Credit risk is regarded as the risk of loss due to customers and other counterparties failing to meet their repayment obligations and any pledged collateral not covering the Bank's outstanding debt.

Measuring risk when lending to customers takes place by classifying the risk customers represent and is an integral part of the credit process.
Pricing of credit is to be based on the risk of the individual commitment.

The Bank's credit strategy describes the Bank's overall extension of credit in the retail and business markets. On a day-to-day basis, the credit strategy is implemented via credit manuals, limits, and the approved hierarchy for authorisations. Everyone authorised to grant credit has a responsibility to comply with the Bank's adopted credit policy.

A central credit unit has been established in the retail market. This has been given authorisation to grant loans and credit facilities in line with the Bank's credit strategy, approved instructions, and the credit manual for the retail market, within the limits specified by the authorisation.

A Board-approved decision-making hierarchy has been established in the business market. The decision-making level required for the individual case is based on a combination of the customer's risk class and the amount in question. The Bank's board is the supreme decision-making level, and smaller commitments are entered into in accordance with the adopted limits and personal mandates of the Business Market Department. The development in credit risk related to the Bank's lending is monitored on an ongoing basis with framework control, periodic analyses and reports, and the use of random sampling at customer level.
Investments in interest-bearing securities for liquidity purposes are linked to the investment policy for portfolio management adopted by the Board of Directors. The adopted strategy and investment policy specify the risk tolerance, allocation to asset classes, limits, and mandates. Credit losses must be close to zero. Furthermore, a significant proportion of the portfolio must be suitable to act as collateral for lending from Norges Bank. When investing funds in certificates and bonds, the risk is assessed on the basis of the paper's liquidity, issuer's rating, and other counterparty-specific factors. Interest-bearing securities are booked at market value so that changes in value are continuously reflected in the financial statements.

Settlement risk is a form of credit risk. Should contract counterparties not meet their commitments, settlement in the form of cash or securities are at risk of being lost. The Bank seeks to avoid such risks by entering into contracts with sound, and if possible rated, counterparties, and by using clearing systems with a good reputation.

Counterparty risk on derivatives and off balance sheet items (guarantees, loan approvals, etc.) also entail credit risk in that contracts may produce a loss if the counterparty goes bankrupt or is unable to fulfil its payment obligations. Derivative contracts are only entered into with financial institutions that have a minimum official rating of A- (A3) or better. The counterparty risk is mitigated by the Bank having entered into ISDA agreements that give the parties the right to offset in the event of non-performance. Additional agreements have also been entered into concerning the provision of security (CSA). Please see Note 24 for details about offsetting financial instruments.

Concentration risk
Concentration risk arises from low diversification with respect to counterparty risk for associated customer groups, geographical areas, sectors and products. This is managed at Sparebanken Øst by setting limits for exposure to industries and sectors, and commitment size.

Out of the Group's ordinary lending activities as at 31.12.2022, 90.3 per cent of gross lending involved retail customers. A small proportion of lending to business customers contributes to a low concentration risk.

The Group's loan portfolio to retail customers and businesses is primarily spread across the central Eastern Norway region. The Bank is not regarded as being particularly exposed to individual business customers (cornerstone industries) or one-sided financial growth in the region. The Bank's location in Eastern Norway provides close proximity to a large market area. Exposure to property and property development accounts for a relatively large share of the corporate portfolio, but measured as a share of the Group's total lending portfolio this exposure accounts for a limited share of the total lending portfolio. Sales and the operation of real estate account for 56.9 per cent of the business portfolio. Measured as a portion of the total lending portfolio in the Group, exposure to sales and the operation of real estate is nonetheless no more than 5.5 per cent. Property is a cyclical industry that is particularly vulnerable in periods of economic downturn. The commitments are, however, regarded as well secured, often with additional collateral.

Sparebanken Øst has set limits for the levels of concentration which stipulate that the greatest exposure must not exceed 15 per cent of the business portfolio, the three largest exposures no more than 25 per cent, and the ten largest no more than 40 per cent. In its lending operations as at 31.12.24, apart from commitments with its own subsidiaries (AS Financiering and Sparebanken Øst Boligkreditt AS), the Bank had no exposure to external customers exceeding 10 per cent of its primary capital. As at 31.12.24, loans to the Group’s largest loan customer represented 0.7 per cent of gross lending. The group’s 10 largest borrowers represented 3.2 per cent of gross lending, and the group's 20 largest borrowers represented 4.5 per cent of gross lending.

Market risk
Market risk is the risk of incurring losses on open positions in financial instruments due to changes in observable market variables such as interest rates, currencies, and securities markets.

Sparebanken Øst is exposed to market risk primarily through changes in the level of interest rates (interest risk), through changes in market prices of financial instruments, including changes in spreads for interest-bearing securities (credit spread risk), exchange rates (currency risk) and share prices (equities risk).

Market risk is managed via limits for maximum exposure to various asset classes, interest risk, currency risk and other risks.

<u>Interest rate risk</u>
When there is a change in market interest rates, Sparebanken Øst cannot immediately adjust the interest rate for all balance sheet items if they have different interest rate binding periods. A change in market interest rates will then result in an increase or decrease in net interest income and the fair value of balance sheet items. This risk is mitigated by offsetting assets, liabilities, and various derivatives against each other to keep the risk within approved limits. Interest rate risk is calculated and managed according to the rules for reporting to authorities, using a separate model where the effects are estimated based on a series of defined interest rate shock scenarios. The effects of the stress test show how the changes impact the economic value of equity (EVE) and net interest income (NII).

<u>Credit spread risk</u>
The credit spread risk is the risk of losses due to changes in the margin (credit spread) on interest-bearing securities. The credit spread risk in the liquidity portfolio is managed by ensuring that the loss due to changes in the credit spread never exceeds a specific limit.

<u>Currency risk</u>
Currency risk is the risk of loss of value due to exchange rate fluctuations. Such risk is reduced by matching asset and liability positions with each other on the balance sheet or by using currency derivatives. Rolling swaps are used for assets where debtors are able to repay before the final due date. Where the final due date may not be deviated from, the positions are secured by basis swaps. Limits for currency exposure have been set.

<u>Equities risk</u>
The group holds a portfolio of shares that are primarily related to strategic purposes. Equity risk is the risk of loss due to changes in stock prices. A decline in stock values of 10 percent as of December 31, 2024, would result in a negative income effect of 87.7 million NOK. In comparison, a 10 percent decline in stock values as of year-end 2023 would have resulted in a negative income effect of 81.0 million NOK. Reference is made to note 29 for a specification of the group's shares and equity certificates.

<u>Property risk</u>
Property risk is the risk of loss as a result of the Bank’s positions and direct ownership of real estate, including its own business premises. The Bank’s property risk is continuously monitored and stress tests of property risk are regularly prepared in accordance with guidelines from the Financial Supervisory Authority of Norway.

Risk mitigation measures
The Bank uses guarantees, derivatives and financial hedging to reduce risk exposure due to changes in interest rate levels, exchange rates and credit risks. Please see the descriptions of each individual risk area.

The commitments are considered to be well secured against real property, often with additional collateral. Loans and credit facilities extended to the retail market primarily concern commitments against mortgages on real estate within appropriate loan-to-value ratios. In AS Financiering, the vehicles themselves mainly serve as collateral. The Bank has very low exposure to loans/credit facilities without related collateral.

Lending to other banks and lending as senior bond placements and certificates is provided on an unsecured basis. Investments in covered bonds provide security in a defined selection of issuer's assets, usually mortgages.

Liquidity risk
Liquidity risk is the risk of the Bank not being in a position to meet its ongoing liabilities as they fall due or having to obtain necessary funding at a higher cost. The overall strategy dictates that Sparebanken Øst must practise a conservative liquidity risk policy. This involves a long-term and proactive approach to future liquidity needs and managing liquidity through investments in assets with low liquidity risk and credit risk. Limits have been established which govern the composition of the balance sheet with regard to the degree of long-term funding and the horizon for survival in a situation with no access to new liquidity. The Bank maintains liquidity reserves in the form of cash, drawing rights in Norges Bank and a bond portfolio consisting of liquid securities with high credit quality.

Sparebanken Øst always seeks to diversify its sources of finance in order to be as independent as possible of events in individual markets. In addition to deposits from customers, the Norwegian certificate and bond market is the most important funding source, including the market for covered bonds.

Deposits are an important source of financing for banks. The bank actively works to increase deposits from various customer groups. In 2024, deposits increased by 6.4 percent. As of December 31, 2024, deposits from customers represent 45.6 percent of the group's net loans, compared to 41.9 percent as of December 31, 2023.

It is primarily major institutional investors which invest in the banks' issued securities. In order to ensure liquidity in the securities, it is desirable that the bond issues are of a certain size. On the other hand, it is not desirable to have loans that are too large, since this will increase the refinancing risk. Covered bonds provide security for investors in the form of preferential rights to low-risk mortgages. The largest bond loans are generally covered bonds.

The balance sheet steering committee addresses market events and agrees measures related to the liquidity situation in accordance with the adopted strategy on an ongoing basis. A recovery plan has also been drawn up that defines monitoring and action plans for liquidity crises.

Climate risk
Climate risk consists of physical climate risk and transition risk. Physical risk can be landslides, floods, rising sea levels, droughts or other risks related to climate change. Transition risk is the risk associated with the transition to a low-emission society, where changes in climate policy/regulation, development of new technology, changed customer preferences and investor demands may lead to abrupt changes in the market value of financial and other assets. Climate risk can lead to increased credit risk, financial losses or reduced access to capital. Increased exposure to climate risk also increases the risk of stranded assets. Stranded assets are defined as assets that have suffered from unanticipated or premature reductions in value.

The Norwegian Water Resources and Energy Directorate (NVE) has mapped and released a national dataset that, at an overview level, shows areas potentially exposed to physical climate risk. Through its assessments, NVE provides indications of whether residential properties lie within designated zones for flooding, landslides, or sea level rise. NVE's assessments are based on areas rather than individual homes, and they do not take into account individual or local protective measures. The bank accesses NVE's assessments for mortgaged properties through Eiendomsverdi AS.

Starting in 2024, Eiendomsverdi offers a risk score, assigning a score between 0 and 6 for various subcategories within physical risk. A score of 0 represents no indication of risk, while a score of 6 indicates exposure to physical risk. For simplicity, the bank has chosen to group scores 1-2 as low, 3-4 as medium, and 5-6 as high. In 2024, Eiendomsverdi expanded its offering to include an overview of properties exposed to surface water flooding. Thirty-three percent of Norwegian homes are exposed to surface water flooding, which aligns closely with the bank's portfolio.

Including exposure to surface water, the number of mortgages in the high, medium, or low-risk categories is significantly higher than the number of mortgages reported under risk classes 1+2 according to the methodology in the 2023 annual report. For comparison purposes, the bank has chosen to present a table excluding surface water exposure. No base data from Eiendomsverdi has been provided to generate comparison figures for 2023.

Group as of 31.12.24

Risk Category	Number of Mortgages	Engagement	Percentage of Portfolio
High	484	1.411,3	3,73 %
Medium	2.175	5.815,0	15,37 %
Low	5.621	14.128,6	37,34 %
None	7.713	16.477,9	43,55 %
Total	**15.993**	**37.832,7**	**100,00 %**

Group as of 31.12.24 – excluding surface water

Risk Category	Number of Mortgages	Engagement	Percentage of Portfolio
High	304	900,1	2,38 %
Medium	782	2.097,1	5,54 %
Low	1.122	2.761,9	7,30 %
None	13.785	32.073,5	84,78 %
Total	**15.993**	**37.832,7**	**100,00 %**

Parent Bank as of 31.12.24

Risk Category	Number of Mortgages	Engagement	Percentage of Portfolio
High	189	809,6	5,10 %
Medium	773	2.796,9	17,61 %
Low	2.055	6.293,0	39,62 %
None	3.383	5.984,5	37,68 %
Total	**6.400**	**15.884,1**	**100,00 %**

Parent Bank as of 31.12.24 – excluding surface water

Risk Category	Number of Mortgages	Engagement	Percentage of Portfolio
High	121	531,3	3,34 %
Medium	306	1.235,5	7,78 %
Low	485	1.504,5	9,47 %
None	5.488	12.612,8	79,41 %
Total	**6.400**	**15.884,1**	**100,00 %**

In 2023, the bank reported engagements with exposure to physical risk using two defined risk classes. Although the bank considers the updated methodology from Eiendomsverdi for 2024 to be more relevant and of better quality, the bank has chosen to include tables with the same layout as in 2023 for comparison purposes. Risk Class 1 includes scenarios such as flooding and storm surge with a 20-year interval, quick clay in the high-risk category, and avalanche risk zones. Risk Class 2 includes scenarios such as flooding and storm surge with intervals of 50 to 200 years, and quick clay in the medium-risk category. The number of risks in the tables below represents the number of main categories of physical risk that an engagement is exposed to. The bank assesses the physical risk as low and within an acceptable level.

Risk Class 1 as of 31.12.24 - Group

Number of Risks	Number of Mortgages	Engagement	Percentage of Portfolio
1	526	1.112,7	2,94 %
2	101	203,3	0,54 %
3	6	10,9	0,03 %
Total	**633**	**1.326,9**	**3,51 %**

Risk Class 1+2 as of 31.12.24 - Group

Number of Risks	Number of Mortgages	Engagement	Percentage of Portfolio
1	1.024	2.841,6	7,51 %

2	153	435,2	1,15 %
3	8	14,9	0,04 %
Total	**1.185**	**3.291,8**	**8,70 %**

Risk Class 1 as of 31.12.23 - Group

Number of Risks	Number of Mortgages	Engagement	Percentage of Portfolio
1	602	1.077,7	2,75 %
2	102	184,3	0,47 %
3	1	2,7	0,01 %
Total	**705**	**1.264,7**	**3,22 %**

Risk Class 1+2 as of 31.12.23 - Group

Number of Risks	Number of Mortgages	Engagement	Percentage of Portfolio
1	1.075	2.225,7	5,68 %
2	214	426,8	1,09 %
3	2	4,5	0,01 %
Total	**1.291**	**2.657,0**	**6,77 %**

Risk Class 1 as of 31.12.24 - Parent Bank

Number of Risks	Number of Mortgages	Engagement	Percentage of Portfolio
1	235	534,2	3,36 %
2	45	104,2	0,66 %
3	4	5,9	0,04 %
Total	**284**	**644,3**	**4,06 %**

Risk Class 1+2 as of 31.12.24 - Parent Bank

Number of Risks	Number of Mortgages	Engagement	Percentage of Portfolio
1	432	1.737,4	10,94 %
2	65	263,5	1,66 %
3	4	5,9	0,04 %
Total	**501**	**2.006,8**	**12,63 %**

Risk Class 1 as of 31.12.23 - Parent Bank

Number of Risks	Number of Mortgages	Engagement	Percentage of Portfolio
1	290	516,6	2,86 %
2	45	101,8	0,56 %
3	0	0,0	0,00 %
Total	**335**	**618,3**	**3,42 %**

Risk Class 1+2 as of 31.12.23 - Parent Bank

Number of Risks	Number of Mortgages	Engagement	Percentage of Portfolio
1	519	1.248,9	6,92 %
2	99	242,2	1,34 %
3	0	0,0	0,00 %
Total	**618**	**1.491,1**	**8,26 %**

Long-term capital management
Long-term capital management at Sparebanken Øst is designed to ensure good solidity and sufficient liquidity for the entire group. Strong solidity is primarily maintained by ensuring adequate capital buffers above the minimum capital requirements. The bank adapts to new capital adequacy regulations and closely monitors the market's expectations of capital beyond regulatory requirements.

The current CET1 capital ratio target is defined as follows: "The Sparebanken Øst Group must maintain a CET1 capital corresponding to the regulatory requirement plus a capital buffer of 1.0 percentage point." The target for Tier 1 capital and capital adequacy will be the same, and the group will seek to optimize its capital structure through the use of loss-absorbing debt instruments. The requirement for the systemic risk buffer is 4.5 percent from the end of 2023. The requirement for the countercyclical buffer is 2.5 percent from March 31, 2023.

The applicable Pillar 2 requirement for Sparebanken Øst is 1.1 percent, reduced from 1.8 percent. The requirement came into effect on 30 September 2023. Pillar 2 must consist of at least 56.25 percent Tier 1 capital and 75 percent Tier 1 capital, which corresponds to the capital composition requirement in Pillar 1. Additionally, Sparebanken Øst has adopted a capital requirement margin of at least 1.0 percentage points of the risk-weighted calculation base in Pillar 1, in line with the expectations of the Financial Supervisory Authority. The capital requirement margin must be met with CET1 capital. A further capital requirement margin of 2.0 percentage points for the unweighted CET1 ratio has also been established.

The Group’s CET1 capital ratio was 18.59 per cent as at 31.12.24. This level of capital provides growth capacity and room for manoeuvre in relation to regulatory requirements. See also Note 6 on capital adequacy.

Growth and planned growth in lending and other assets will therefore always take into consideration the need for buffer capital above the minimum requirements. Otherwise, there is a heavy focus on maintaining the prudent management of commercial operations so that the Group can achieve good results and satisfactory returns on invested capital. This will ensure the Bank remains attractive to investors and help to secure the Group’s access to capital when required to strengthen its equity.

NOTE 6 - CAPITAL ADEQUACY

Group 31.12.2024	Group 31.12.2023		Parent bank 31.12.2024	Parent bank 31.12.2023
		CET1 capital		
4.670,6	4.559,9	Total equity excluding hybrid capital	4.192,2	4.136,5
		Deduction items in CET1 capital		
0,0	-28,3	Approval for the acquisition of own equity certificates	0,0	-28,3
-9,2	-7,2	Additional value adjustments (prudent valuation requirement) (AVA)	-11,1	-9,2
-464,1	-391,6	Dividends	-464,1	-391,6
-298,9	-247,6	Goodwill in the valuation of significant investments	-298,9	-247,6
-34,3	-33,0	Intangible assets	-25,6	-22,3
0,0	0,0	CET1 capital instruments in other financial institutions (not significant)	0,0	0,0
0,0	0,0	CET1 capital instruments in other financial institutions (significant)	0,0	0,0
-65,2	-65,7	Other deductions from CET1 capital	-64,4	-64,4
3.798,9	**3.786,6**	**Total CET1 capital**	**3.328,1**	**3.373,2**
		Other Tier 1 capital		
350,0	350,0	Additional Tier 1 capital	350,0	350,0
		Deductions from other Tier 1 capital		
0,0	0,0	Other Tier 1 capital instruments in other financial institutions (not significant)	0,0	0,0
0,0	0,0	Other Tier 1 capital instruments in other financial institutions (significant)	0,0	0,0
350,0	**350,0**	**Total Tier 2 capital**	**350,0**	**350,0**
4.148,9	**4.136,6**	**Net subordinated loan capital**	**3.678,1**	**3.723,2**
		Tier 2 capital		
500,0	400,0	Subordinated loans	500,0	400,0
		Deductions from Tier 2 capital		
0,0	0,0	Tier 2 capital instruments in other financial institutions (not significant)	0,0	0,0
0,0	0,0	Tier 2 capital instruments in other financial institutions (significant)	0,0	0,0
500,0	**400,0**	**Total Tier 2 capital**	**500,0**	**400,0**
4.648,9	**4.536,6**	**Net subordinated loan capital**	**4.178,1**	**4.123,2**
		Calculation basis		
0,0	0,0	Governments and central banks	0,0	0,0
118,5	0,0	Local and regional authorities	118,5	0,0
0,0	0,0	Publicly owned companies	0,0	0,0
1,0	0,0	Multilateral development banks	1,0	0,0
90,1	83,6	Institutions	758,0	773,2
153,2	118,3	Companies	154,9	120,0
3.420,3	3.241,0	Mass market accounts	1.118,4	1.040,9
12.358,8	13.128,7	Accounts secured against property	5.586,8	6.578,1
289,6	232,1	Accounts due	133,4	83,6
756,9	597,1	High-risk commitments	756,9	597,1
565,7	448,3	Covered bonds	545,5	2.080,7
0,0	0,0	Shares in securities fund	0,0	0,0
820,8	750,0	Equity positions	2.701,1	2.610,4
198,3	195,0	Other exposures	154,3	172,6
0,0	0,0	Securitisation	0,0	0,0
18.773,3	**18.794,1**	**Calculation basis for credit and counterparty risk**	**12.028,9**	**14.056,4**
0,0	**0,0**	**Calculation basis for currency risk**	**0,0**	**0,0**
1.630,6	**1.456,4**	**Calculation basis for operational risk**	**1.180,7**	**1.016,6**
33,7	**28,3**	**Calculation basis for impaired counterparty credit valuation adjustment (CVA)**	**30,4**	**11,5**
20.437,6	**20.278,7**	**Total calculation basis**	**13.239,9**	**15.084,5**
18,59 %	18,67 %	CET1 capital ratio	25,14 %	22,36 %
20,30 %	20,40 %	Tier 1 capital ratio	27,78 %	24,68 %

22,75 %	22,37 %	Capital adequacy	31,56 %	27,33 %

Group 31.12.2024	Group 31.12.2023	Buffers	Parent bank 31.12.2024	Parent bank 31.12.2023
510,9	507,0	Capital conservation buffer	331,0	377,1
510,9	507,0	Countercyclical buffer	331,0	377,1
919,7	912,5	Systemic risk buffer	595,8	678,8
0,0	0,0	Buffer for systemically important banks	0,0	0,0
1.941,6	**1.926,5**	**Total buffer requirements**	**1.257,8**	**1.433,0**
2.879,2	**2.874,0**	**Available buffer capital**	**2.732,3**	**2.694,4**
8,73 %	8,89 %	Leverage ratio	12,35 %	8,05 %

The Bank uses the standardised approach to calculate the minimum primary capital adequacy requirement for credit risk. Operational risk is calculated using the basic indicator approach. The capital charge for credit value adjustment (CVA) is calculated using the standardised approach. Commitment amounts for derivatives are calculated using the standardised approach (SA-CCR).

The Bank's primary capital must satisfy the minimum capital adequacy ratio requirements at all times, with the addition of a buffer equivalent to the company's accepted risk tolerance.

See also the Group's Pillar III document, which is available on Sparebanken Øst's website.

NOTE 7 - CREDIT RISK

Maximum credit risk

Maximum credit risk is represented as the book value of the financial assets, including derivatives, on the balance sheet. The Group also has credit risk related to loan approvals, unused overdraft facilities and guarantees. The maximum credit risk in excess of book values is shown below.

Group 31.12.2024	Group 31.12.2023		Parent bank 31.12.2024	Parent bank 31.12.2023
		Liabilities		
260,1	541,8	Loan pledges	227,4	510,4
3.951,0	4.033,8	Overdraft facilities	3.487,5	3.502,2
25,3	26,2	Guarantees to customers	25,3	26,2
0,0	0,0	Guarantee for all covered bond liabilities in the mortgage credit company*	0,0	16.459,0
4.236,4	**4.601,9**	**Total liabilities**	**3.740,1**	**20.497,8**

* SPØB was assigned an A1 issuer rating by Moody's Investor Services on June 6, 2024. This rating is equivalent to the rating of the parent bank and reflects the strong interdependency between the two entities. Since SPØB now has its own issuer rating, there is no longer a need for the liquidity guarantee as a benchmark for the rating of OMF. Therefore, the liquidity guarantee was terminated with effect from June 24, 2024.

For more information regarding the maximum credit exposure associated with the different classes of financial instruments, please refer to the subsequent notes up to and including note 10.

Credit risk

Sparebanken Øst's credit strategy provides the basis for the credit activities of the bank. The scope, target figures, procedures and guidelines have been established for both the retail and business markets to help ensure that all elements associated with credit assessments are adequately described and known. These must also ensure that portfolios are properly followed up and that any changes relating to the assessed risk for the individual commitment can be identified at an early stage and monitored closely. Developments in individual commitments and portfolios are continuously followed up on through various administrative reports. Target figures and frameworks adopted by the Board are followed up on and reported to the Board on quarterly basis.

Debt-servicing capacity is central to any credit assessment in either the retail or the business markets. Normally, credit must not be provided if it is unlikely that the customer will be able to service the debt even when adequate security is provided. The basis for the assessment of a customer's capacity to service the debt is current and future cash flows measured against the customer's cost obligations at any time. Cash flow is based on the salary income or business income of the customer(s) being financed. Besides this, the extent to which the Bank will be able to cover the commitments by realising the security in the event of any future default, reduction of cash flows, or other negative market changes, is also assessed. Sparebanken Øst generally has very low exposure to unsecured loans/credit facilities.

Within the corporate market, routines have been established for the periodic follow-up of engagements to ensure that the bank conducts updated assessments at least once a year for the majority of the portfolio. To reduce risk, ensure follow-up, and manage certain engagements in addition to the regular credit assessment, ongoing clauses are used in the credit agreements. It is the total exposure for each customer that is taken into account when assessing the effect the collateral has on the credit risk.

Chapter 11-II of the Financial Institutions Act regulates the operations of Sparebanken Øst Boligkreditt AS and sets high standards for which loans can be included in the collateral pool backing covered bonds. This is a stricter regulatory framework than regular housing loans, and the law also requires an independent monitor appointed by the Financial Supervisory Authority and an independent valuation of each individual collateral.

NOTE 8 - CREDIT QUALITY BY CLASS OF FINANCIAL ASSETS

The underlying credit quality of Sparebanken Øst's loans and receivables from customers is reflected in the portfolio's risk classification. The risk classification of customers is an integrated and mandatory part of the credit process, both in the retail and corporate markets. The credit strategy has established a framework for the proportion of portfolios within the risk categories of low, medium, and high risk, based on the calculated PD (Probability of Default). The development of the portfolio distribution within the risk classes is continuously monitored and reported.

The Group continuously seeks to improve its internal models for risk classification to ensure that the models consistently have high explanatory power based on the most significant drivers within the various customer segments. In the Group, customers are risk-classified using a credit score model. For more details on customer risk classification, refer to note 9.

For financial investments in certificates and bonds, risk is assessed based on ratings and counterparty-specific factors. Preferably, ratings from credit rating agencies are used. When such ratings are not available, scores from Norwegian brokerage firms are utilized, and an internal assessment is made.

Ratings from credit rating agencies and scores from brokerage firms generally follow a scale from AAA to C, where AAA represents the highest quality and C represents the lowest quality. The scale is used such that AAA – A is considered low risk, BBB is considered moderate risk, and BB – C is considered higher risk.

Group as of 31.12.24

Book values	Low risk	Moderate risk	High risk	Stage 3	Unclassified	Total
Lending						
Loans to and receivables from financial institutions	18,2					18,2
Lending to customers						
- Financial leases	12,3	6,1				18,4
- Overdraft facilities and operating credits	6.828,7	111,9	43,9	0,8	0,3	6.985,6
- Building loans	189,7	27,7				217,5
- Repayment loans	26.988,9	2.247,5	308,2	229,7	7,3	29.781,7
Total loans	**34.037,9**	**2.393,2**	**352,2**	**230,5**	**7,6**	**37.021,4**
Financial investments						
Listed government bonds						0,0
Listed other bonds	7.753,9					7.753,9
Unlisted bonds			2,1			2,1
Total financial investments	**7.753,9**	**0,0**	**2,1**	**0,0**	**0,0**	**7.756,0**

Group as of 31.12.23

Book values	Low risk	Moderate risk	High risk	Stage 3	Unclassified	Total
Lending						
Loans to and receivables from financial institutions	16,5					16,5
Lending to customers						
- Financial leases	17,4	2,3	0,2			20,0
- Overdraft facilities and operating credits	7.581,8	132,6	22,3	5,6	0,2	7.742,6
- Building loans	74,3	11,3				85,6
- Repayment loans	27.324,7	2.226,8	282,7	186,9	7,8	30.028,9
Total loans	**35.014,7**	**2.373,0**	**305,3**	**192,5**	**8,0**	**37.893,6**
Financial investments						
Listed government bonds						0,0
Listed other bonds	5.911,9					5.911,9
Unlisted bonds	0,0		2,1			2,1
Total financial investments	**5.911,9**	**0,0**	**2,1**	**0,0**	**0,0**	**5.914,0**

Parent bank as of 31.12.24

Book values	Low risk	Moderate risk	High risk	Stage 3	Unclassified	Total
Lending						
Loans to and receivables from financial institutions	2.905,5					2.905,5
Lending to customers						
- Financial leases						0,0
- Overdraft facilities and operating credits	1.044,0	53,6	17,1	0,8	0,3	1.115,8
- Building loans	189,7	27,7				217,5
- Repayment loans	13.466,5	515,6	44,2	97,1	7,3	14.130,7
Total loans	**17.605,8**	**596,9**	**61,3**	**98,0**	**7,6**	**18.369,5**
Financial investments						
Listed government bonds						0,0
Listed other bonds	7.443,4					7.443,4
Unlisted bonds			2,1			2,1
Total financial investments	**7.443,4**	**0,0**	**2,1**	**0,0**	**0,0**	**7.445,6**

Parent bank as of 31.12.23

Book values	Low risk	Moderate risk	High risk	Stage 3	Unclassified	Total
Lending						
Loans to and receivables from financial institutions	3.041,7					3.041,7
Lending to customers						
- Financial leases						0,0
- Overdraft facilities and operating credits	1.639,5	54,5	9,3	1,9	0,2	1.705,4
- Building loans	74,3	11,3				85,6
- Repayment loans	14.652,5	494,4	38,6	67,1	7,3	15.260,0
Total loans	**19.408,0**	**560,2**	**47,9**	**69,0**	**7,6**	**20.092,7**
Financial investments						
Listed government bonds						0,0
Listed other bonds	5.599,8					5.599,8
Unlisted bonds			2,1			2,1
Total financial investments	**5.599,8**	**0,0**	**2,1**	**0,0**	**0,0**	**5.601,9**

NOTE 9 - CREDIT RISK BY RISK CLASS

In its credit strategy the Board has determined overall limits related to the maximum exposure per customer/group, industry exposure, risk class, concentration risk and requirements for the acceptance of new customers. The target figures and limits adopted by the Board of Directors, as described in the credit strategy, are followed up via the quarterly risk reports and presented to the Bank's Board.

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. Customers are risk-classified based on 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 behaviour. Risk classification is performed when new loan applications are assessed, then reviewed each month based on available information about the customer's finances and behaviour. 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 default. Risk classes J and K consist of commitments for which objective evidence of a default/loss exists and the commitments are subject to special monitoring in the Bank's Recovery Department. Risk class U (unallocated) covers credit commitments without any risk classification.

The consolidated figures show a summary of the parent bank, Sparebanken Øst AS, and AS Financiering. AS Financiering's business mainly consists of financing for used cars.

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 og K	99,99 %	100,00 %

Credit risk by risk class 2024 – Group

	Gross lending	Gross guarantee liability	Overdraft facilities	Commitments	%	Commitments Stage 1	Loss provisions Stage 1	Commitments Stage 2	Loss provisions Stage 2	Commitments Stage 3	Loss provisions Stage 3*
A	13.489,7	13,4	1.652,0	15.155,0	36,9	15.110,5	1,2	44,5	0,0	0,0	0,0
B	13.534,4	3,6	2.110,3	15.648,2	38,1	15.550,9	3,1	97,3	0,1	0,0	0,0
C	5.284,9	5,1	143,3	5.433,2	13,2	5.292,8	2,8	140,4	0,3	0,0	0,0
D	1.724,1	1,2	23,6	1.748,8	4,3	1.370,6	1,0	378,2	1,6	0,0	0,0
E	1.223,7	0,0	9,5	1.233,2	3,0	945,4	1,4	287,8	1,6	0,0	0,0
F	840,2	0,2	5,4	845,8	2,1	630,0	1,2	215,8	1,2	0,0	0,0
G	336,6	0,0	0,3	336,9	0,8	186,5	0,6	150,4	1,2	0,0	0,0
H	166,4	0,0	0,3	166,7	0,4	39,1	0,2	127,5	1,4	0,0	0,0
I	194,4	0,0	7,1	201,5	0,5	15,9	0,5	185,6	6,5	0,0	0,0
J	136,9	0,0	0,1	137,0	0,3	0,0	0,0	0,0	0,0	137,0	0,0
K	182,2	0,0	0,0	182,2	0,4	0,0	0,0	0,0	0,0	182,2	86,2
Unallocated	0,9	1,9	0,2	3,1	0,0	3,1	0,0	0,0	0,0	0,0	0,0
Total	**37.114,4**	**25,3**	**3.952,0**	**41.091,7**	**100,0**	**39.144,9**	**12,0**	**1.627,6**	**13,9**	**319,2**	**86,2**

* Stage 3 provisions include individually assessed loss write-downs of NOK 84,9 million.

Credit risk by risk class 2023 – Group

	Gross lending	Gross guarantee liability	Overdraft facilities	Commitments	%	Commitments Stage 1	Loss provisions Stage 1	Commitments Stage 2	Loss provisions Stage 2	Commitments Stage 3	Loss provisions Stage 3*
A	13.556,9	11,8	1.509,3	15.078,0	35,9	15.059,7	1,1	18,4	0,0	0,0	0,0
B	14.818,1	3,7	2.324,1	17.145,9	40,8	16.990,7	3,5	155,2	0,2	0,0	0,0
C	5.146,4	5,7	132,3	5.284,4	12,6	5.150,1	2,5	134,3	0,3	0,0	0,0
D	1.492,4	0,4	40,2	1.533,0	3,6	1.155,9	0,9	377,1	1,6	0,0	0,0
E	1.097,9	2,1	9,2	1.109,2	2,6	869,1	1,2	240,1	1,2	0,0	0,0
F	938,5	0,2	12,0	950,7	2,3	694,6	1,6	256,1	1,9	0,0	0,0
G	344,1	0,1	0,7	344,9	0,8	243,7	0,8	101,2	0,7	0,0	0,0
H	146,5	0,0	0,1	146,6	0,3	45,1	0,3	101,6	1,1	0,0	0,0
I	166,1	0,2	4,9	171,3	0,4	16,7	0,5	154,6	5,5	0,0	0,0
J	98,5	0,1	1,8	100,4	0,2	0,0	0,0	0,5	0,0	99,9	0,0
K	179,2	0,5	0,0	179,7	0,4	0,0	0,0	0,0	0,0	179,7	85,0
Unallocated	0,9	1,9	0,4	3,2	0,0	3,2	0,0	0,0	0,0	0,0	0,0
Total	**37.985,5**	**26,7**	**4.035,0**	**42.047,3**	**100,0**	**40.228,8**	**12,4**	**1.538,9**	**12,6**	**279,6**	**85,0**

* Stage 3 provisions include individually assessed loss write-downs of NOK 83,7 million.

Retail customers – parent bank and mortgage credit company
The risk classification system is used for decision-making support, monitoring and reporting. Risk classification of mortgage customers is an integral part of the credit process for granting loans and overall management of the portfolio. Customers are classified according to the rules set out in Sparebanken Øst's credit handbook for the retail market, based on an automatic scoring model for retail customers which estimates the probability of default (PD) from information about the customer's finances and behaviour.

The Bank's organisation of the approval process within the retail market is based on centralised decision-making units.

Credit risk by risk class 2024 – retail at parent bank and mortgage credit company

	Gross lending	Gross guarantee liability	Overdraft facilities	Commitments	%	Commitments Stage 1	Loss provisions Stage 1	Commitments Stage 2	Loss provisions Stage 2	Commitments Stage 3	Loss provisions Stage 3*
A	11.391,4	0,3	1.504,7	12.896,4	37,4	12.853,2	0,7	43,2	0,0	0,0	0,0
B	12.845,3	0,0	2.091,6	14.936,9	43,3	14.850,8	2,6	86,0	0,1	0,0	0,0
C	4.420,2	0,0	120,2	4.540,3	13,2	4.421,0	1,6	119,3	0,2	0,0	0,0
D	1.178,1	0,0	21,9	1.200,0	3,5	910,1	0,6	289,9	0,7	0,0	0,0
E	383,8	0,0	3,9	387,7	1,1	226,8	0,3	161,0	0,6	0,0	0,0
F	241,1	0,0	2,3	243,4	0,7	69,7	0,2	173,7	0,9	0,0	0,0
G	76,3	0,0	0,3	76,7	0,2	6,4	0,0	70,3	0,5	0,0	0,0
H	49,0	0,0	0,2	49,2	0,1	3,7	0,0	45,5	0,5	0,0	0,0
I	71,4	0,0	7,0	78,5	0,2	14,3	0,5	64,2	2,4	0,0	0,0
J	71,5	0,0	0,0	71,5	0,2	0,0	0,0	0,0	0,0	71,5	0,0
K	7,8	0,0	0,0	7,8	0,0	0,0	0,0	0,0	0,0	7,8	5,5
Unallocated	0,3	0,0	0,0	0,3	0,0	0,3	0,0	0,0	0,0	0,0	0,0
Total	**30.736,1**	**0,3**	**3.752,2**	**34.488,6**	**100,0**	**33.356,4**	**6,6**	**1.052,9**	**5,8**	**79,2**	**5,5**

* Stage 3 provisions include individually assessed loss write-downs of NOK 5,2 million.

Credit risk by risk class 2023 – retail at parent bank and mortgage credit company

	Gross lending	Gross guarantee liability	Overdraft facilities	Commitments	%	Commitments Stage 1	Loss provisions Stage 1	Commitments Stage 2	Loss provisions Stage 2	Commitments Stage 3	Loss provisions Stage 3*
A	11.232,6	0,5	1.436,8	12.669,8	36,0	12.653,4	0,7	16,5	0,0	0,0	0,0
B	13.938,7	0,1	2.274,1	16.212,9	46,1	16.084,2	2,9	128,7	0,1	0,0	0,0
C	4.295,3	0,0	121,5	4.416,9	12,6	4.309,1	1,6	107,8	0,2	0,0	0,0
D	999,6	0,0	16,2	1.015,9	2,9	741,8	0,5	274,0	0,7	0,0	0,0
E	360,8	0,0	7,0	367,8	1,0	208,9	0,2	158,9	0,6	0,0	0,0
F	242,7	0,0	5,1	247,8	0,7	73,3	0,2	174,5	1,0	0,0	0,0
G	51,5	0,0	0,3	51,8	0,1	15,4	0,1	36,4	0,2	0,0	0,0
H	27,9	0,0	0,1	28,0	0,1	2,0	0,0	26,0	0,3	0,0	0,0
I	51,9	0,0	4,8	56,8	0,2	12,1	0,4	44,7	1,9	0,0	0,0
J	75,7	0,0	1,3	77,0	0,2	0,0	0,0	0,5	0,0	76,5	0,0
K	4,4	0,0	0,0	4,4	0,0	0,0	0,0	0,0	0,0	4,4	3,7
Unallocated	0,3	0,0	0,0	0,3	0,0	0,3	0,0	0,0	0,0	0,0	0,0
Total	**31.281,4**	**0,6**	**3.867,2**	**35.149,2**	**100,0**	**34.100,4**	**6,8**	**968,0**	**5,1**	**80,9**	**3,7**

* Stage 3 provisions include individually assessed loss write-downs of NOK 3,5 million.

Business customers – parent bank

The risk classification is included as an integral part of the credit process in the business market and, together with commitment size, it determines the decision-making level and provides guidance with regard to risk pricing. The risk classification is central to the management and control of the current portfolio, and is based on an automatic scoring model for enterprises which estimates the probability of default (PD) based on information about the customer's finances and behaviour.

Credit risk by risk class 2024 – business

	Gross lending	Gross guarantee liability	Overdraft facilities	Commitments	%	Commitments Stage 1	Loss provisions Stage 1	Commitments Stage 2	Loss provisions Stage 2	Commitments Stage 3	Loss provisions Stage 3*
A	2.097,3	13,1	158,3	2.268,7	60,0	2.267,4	0,5	1,3	0,0	0,0	0,0
B	506,6	3,6	18,7	528,9	14,0	517,7	0,5	11,2	0,0	0,0	0,0
C	480,6	5,1	23,1	508,7	13,5	488,0	1,0	20,7	0,1	0,0	0,0
D	132,9	1,2	1,7	135,8	3,6	49,7	0,1	86,1	0,9	0,0	0,0
E	232,4	0,0	5,5	237,9	6,3	117,8	0,5	120,2	1,0	0,0	0,0
F	11,1	0,2	3,1	14,4	0,4	1,0	0,0	13,3	0,2	0,0	0,0
G	7,0	0,0	0,0	7,0	0,2	0,3	0,0	6,7	0,3	0,0	0,0
H	4,2	0,0	0,1	4,2	0,1	0,0	0,0	4,2	0,0	0,0	0,0
I	0,1	0,0	0,1	0,2	0,0	0,1	0,0	0,1	0,0	0,0	0,0
J	65,4	0,0	0,1	65,5	1,7	0,0	0,0	0,0	0,0	65,5	0,0
K	6,2	0,0	0,0	6,2	0,2	0,0	0,0	0,0	0,0	6,2	1,2
Unallocated	0,6	1,9	0,2	2,8	0,1	2,8	0,0	0,0	0,0	0,0	0,0
Total	**3.544,5**	**25,0**	**210,8**	**3.780,4**	**100,0**	**3.444,7**	**2,6**	**264,0**	**2,6**	**71,7**	**1,2**

* Stage 3 provision includes individually assessed impairment losses of NOK 1.2 million.

Credit risk by risk class 2023 – business

	Gross lending	Gross guarantee liability	Overdraft facilities	Commitments	%	Commitments Stage 1	Loss provisions Stage 1	Commitments Stage 2	Loss provisions Stage 2	Commitments Stage 3	Loss provisions Stage 3*
A	2.317,2	11,3	83,5	2.412,0	59,3	2.410,1	0,4	1,9	0,0	0,0	0,0
B	682,8	3,7	50,0	736,4	18,1	709,9	0,6	26,5	0,0	0,0	0,0
C	507,7	5,7	10,8	524,1	12,9	497,6	0,8	26,5	0,2	0,0	0,0
D	113,0	0,4	24,0	137,4	3,4	37,1	0,1	100,3	0,9	0,0	0,0
E	119,4	2,1	2,2	123,7	3,0	51,7	0,3	72,1	0,6	0,0	0,0
F	91,1	0,2	6,9	98,2	2,4	43,6	0,3	54,6	0,8	0,0	0,0
G	1,0	0,1	0,4	1,6	0,0	0,3	0,0	1,3	0,0	0,0	0,0
H	0,1	0,0	0,0	0,1	0,0	0,1	0,0	0,0	0,0	0,0	0,0
I	2,7	0,2	0,0	3,0	0,1	0,0	0,0	3,0	0,2	0,0	0,0
J	22,8	0,1	0,5	23,4	0,6	0,0	0,0	0,0	0,0	23,4	0,0
K	6,5	0,5	0,0	7,0	0,2	0,0	0,0	0,0	0,0	7,0	1,8

Unallocated	0,6	1,9	0,4	3,0	0,1	3,0	0,0	0,0	0,0	0,0	0,0
Total	**3.864,9**	**26,2**	**178,8**	**4.069,9**	**100,0**	**3.753,3**	**2,5**	**286,2**	**2,8**	**30,4**	**1,8**

* Stage 3 provision includes individually assessed impairment losses of NOK 1.8 million.

AS Financiering

Risk classification is an integral part of the credit process for granting loans and for overall management of the portfolio and is based on an automatic scoring model adapted to AS Financiering's portfolio which estimates the probability of default (PD) based on information about the customer's finances and behaviour.

Credit risk by risk class 2024 – AS Financiering

	Gross lending	Gross guarantee liability	Overdraft facilities	Commitments	%	Commitments Stage 1	Loss provisions Stage 1	Commitments Stage 2	Loss provisions Stage 2	Commitments Stage 3	Loss provisions Stage 3*
A	8,7	0,0	0,0	8,7	0,3	8,7	0,0	0,0	0,0	0,0	0,0
B	182,4	0,0	0,0	182,4	6,4	182,4	0,0	0,0	0,0	0,0	0,0
C	384,1	0,0	0,0	384,1	13,5	383,7	0,1	0,4	0,0	0,0	0,0
D	413,1	0,0	0,0	413,1	14,5	410,9	0,3	2,2	0,0	0,0	0,0
E	607,6	0,0	0,0	607,6	21,4	600,9	0,6	6,7	0,0	0,0	0,0
F	588,0	0,0	0,0	588,0	20,7	559,2	1,0	28,8	0,1	0,0	0,0
G	253,3	0,0	0,0	253,3	8,9	179,9	0,6	73,4	0,4	0,0	0,0
H	113,3	0,0	0,0	113,3	4,0	35,4	0,2	77,8	0,8	0,0	0,0
I	122,8	0,0	0,0	122,8	4,3	1,5	0,0	121,3	4,2	0,0	0,0
J	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
K	168,3	0,0	0,0	168,3	5,9	0,0	0,0	0,0	0,0	168,3	79,6
Unallocated	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total	**2.841,6**	**0,0**	**0,0**	**2.841,6**	**100,0**	**2.362,6**	**2,9**	**310,7**	**5,5**	**168,3**	**79,6**

* Stage 3 provisions include individually assessed impairment losses of NOK 78.5 million.

Credit risk by risk class 2023 – AS Financiering

	Gross lending	Gross guarantee liability	Overdraft facilities	Commitments	%	Commitments Stage 1	Loss provisions Stage 1	Commitments Stage 2	Loss provisions Stage 2	Commitments Stage 3	Loss provisions Stage 3*
A	15,1	0,0	0,0	15,1	0,5	15,1	0,0	0,0	0,0	0,0	0,0
B	196,6	0,0	0,0	196,6	6,9	196,6	0,0	0,0	0,0	0,0	0,0
C	343,5	0,0	0,0	343,5	12,1	343,4	0,1	0,0	0,0	0,0	0,0
D	379,7	0,0	0,0	379,7	13,3	376,9	0,2	2,8	0,0	0,0	0,0
E	617,7	0,0	0,0	617,7	21,7	608,5	0,6	9,2	0,0	0,0	0,0
F	604,6	0,0	0,0	604,6	21,2	577,7	1,1	26,9	0,1	0,0	0,0
G	291,6	0,0	0,0	291,6	10,2	228,1	0,7	63,4	0,4	0,0	0,0
H	118,5	0,0	0,0	118,5	4,2	43,0	0,2	75,5	0,8	0,0	0,0
I	111,5	0,0	0,0	111,5	3,9	4,6	0,1	106,9	3,4	0,0	0,0
J	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
K	168,3	0,0	0,0	168,3	5,9	0,0	0,0	0,0	0,0	168,3	79,5
Ufordelt	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Sum	**2.847,0**	**0,0**	**0,0**	**2.847,0**	**100,0**	**2.394,0**	**3,2**	**284,7**	**4,7**	**168,3**	**79,5**

* Stage 3 provisions include individually assessed impairment losses of NOK 78.5 million.

Collateral in relation to loans to customers

Maximum exposure to credit risk	Group 31.12.24	Group 31.12.23	Parent bank 31.12.24	Parent bank 31.12.23

Gross loans to customers incl. unused overdraft facilities and guarantees for customers	41.091,7	42.047,3	16.316,3	18.055,2

Nature and quality of the objects used as collateral
The Group's lending portfolio is primarily secured by real estate. Where a commitment is secured by real estate, the property value is based on an estimated market value at the time of the last assessment of the commitment. The estimated market value is based on known market values, valuations or other types of value assessments. For commercial property, the security's cash flow will provide a guide as to the estimated market value. The estimated market values for all other types of security, including operationally dependent security, will be conservative. The principles for valuing all underlying collateral objects are described in the Bank's guidelines.

Commitments with individually assessed loan loss provisions in Stage 3
In the case of commitments in the Group with individually assessed loan loss provisions, the sum of gross commitments totals NOK 161.7 million (NOK 178.5 million in 2023) and the associated individually assessed loan loss provisions NOK 84.9 million (NOK 83.7 million in 2023). For commitments in the parent bank, the corresponding sum of gross commitments totals NOK 12.8 million (NOK 10.2 million in 2023) and the associated individually assessed loan loss provisions NOK 6.4 million (NOK 5.2 million in 2023). The commitments in the parent bank and the mortgage company are primarily secured by pledges in real estate. In AS Financiering, the gross commitment amount is NOK 148.9 million (NOK 146.5 million in 2023), and the associated individually assessed loan loss provisions are NOK 78.5 million (NOK 78.5 million in 2023).

Commitments without loan loss provisions in Stage 3
In the case of individual assessments, where the measured present value of the collateral indicates that no loss will be incurred by the Group, no loan loss provisions are made for commitments. The sum of all non-performing commitments without loan loss provisions in the Group totals NOK 135.6 million (NOK 100.0 million in 2023). The estimated fair value of the collateral amounts to NOK 208.6 million (NOK 179.3 million in 2023). In the parent bank, exposures amounted to NOK 90.9 million (NOK 64.0 million in 2023) and the value of the collateral to NOK 120.4 million (NOK 95.8 million in 2023). The vast majority of the objects used as collateral are real estate. The following table shows the loan to value (LTV) ratio for the collateral.

Group 2024		**Group 2023**		**Non-performing commitments without loan loss provisions as a percentage of collateral value**	**Parent bank 2024**		**Parent bank 2023**	
NOK millions	**Per cent**	**NOK millions**	**Per cent**		**NOK millions**	**Per cent**	**NOK millions**	**Per cent**
15,7	11,6 %	18,0	18,0 %	Under 50 %	10,1	11,2 %	4,8	7,5 %
42,6	31,4 %	41,4	41,4 %	50 % til 70 %	21,5	23,7 %	28,1	43,9 %
34,2	25,2 %	37,4	37,3 %	70 % til 85 %	16,1	17,7 %	29,9	46,6 %
43,0	31,7 %	3,1	3,1 %	85 % til 100 %	43,0	47,3 %	1,1	1,7 %
0,0	0,0 %	0,0	0,0 %	Over 100 %	0,0	0,0 %	0,0	0,0 %
0,1	0,1 %	0,1	0,1 %	Usikret	0,1	0,2 %	0,1	0,2 %
135,6	**100,0 %**	**100,0**	**100,0 %**	**Totalt**	**90,9**	**100,0 %**	**64,0**	**100,0 %**

NOTE 10 - LOSSES ON LOANS, UNUSED CREDIT AND GUARANTEES

Loss costs

	Group 2024	Group 2023	Parent bank 2024	Parent bank 2023
Change in model-based provisions, Stage 1	-0,3	1,1	-0,1	1,0
Change in model-based provisions, Stage 2	1,4	-2,7	0,1	-1,3
Change in model-based provisions, Stage 3	0,0	0,4	0,0	0,0
Increase in existing individual loan loss provisions	8,2	8,0	0,0	0,0
New individual loan loss provisions	12,4	9,3	1,7	0,0
Established losses covered by previous individual loan loss provisions	14,8	14,3	0,5	0,0
Reversals of previous individual loan loss provisions	-19,5	-19,5	-0,7	0,0
Established losses not covered by previous individual loan loss provisions	2,2	1,7	0,0	0,1
Recovery of previously identified losses	-5,8	-6,2	-0,3	-0,2
Amortisation costs for the period	0,3	0,2	0,3	0,2
Losses on loans, unused credit and guarantees	**13,6**	**6,7**	**1,4**	**-0,2**
- of which losses on unused credit and guarantees	-0,6	0,2	-0,6	0,2

Loss cost in Group

	Retail 2024	Retail 2023	Business 2024	Business 2023	ASF 2024	ASF 2023
Change in model-based provisions, Stage 1	-0,2	0,1	0,1	0,9	-0,3	0,2
Change in model-based provisions, Stage 2	0,8	-3,9	-0,2	1,5	0,8	-0,3
Change in model-based provisions, Stage 3	0,1	0,0	0,0	0,0	0,0	0,4
Increase in existing individual loan loss provisions	0,0	0,0	0,0	0,0	8,2	8,0
New individual loan loss provisions	1,7	0,0	0,0	0,0	10,7	9,3
Established losses covered by previous individual loan loss provisions	0,1	0,0	0,4	0,0	14,3	14,3
Reversals of previous individual loan loss provisions	-0,1	0,0	-0,6	0,0	-18,8	-19,5
Established losses not covered by previous individual loan loss provisions	0,0	0,1	0,0	0,0	2,1	1,6
Recovery of previously identified losses	0,0	0,0	-0,3	-0,1	-5,5	-6,0
Amortisation costs for the period	0,1	0,0	0,2	0,2	0,0	0,0
Losses on loans, unused credit and guarantees	**2,4**	**-3,8**	**-0,4**	**2,4**	**11,6**	**8,0**
- of which losses on unused credit and guarantees	0,0	0,0	-0,6	0,2	0,0	0,0

Changes in loan loss provisions – Group

Changes in loan loss provisions 2024	**Expected credit loss Stage 1**	**Expected credit loss Stage 2**	**Expected credit loss Stage 3**	**Total**
Opening balance as at 01.01.24	**12,4**	**12,6**	**85,0**	**109,9**
Transferred to Stage 1	3,7	-3,5	-0,2	0,0
Transferred to Stage 2	-0,5	1,1	-0,6	0,0
Transferred to Stage 3	-0,1	-1,7	1,9	0,0
Net change	-3,9	4,9	11,5	12,5
New losses	5,6	3,8	1,7	11,1
Deducted losses	-5,1	-3,2	-13,0	-21,4
Change in risk model/parameters	0,0	0,0	0,0	0,0
Opening balance as at 31.12.24	**12,0**	**13,9**	**86,2**	**112,2**
- of which loan loss provisions for unused credit and guarantees	0,6	0,3	0,0	1,0
Model-based loan loss provisions	12,0	13,9	1,3	27,3
Individual loan loss provisions	0,0	0,0	84,9	84,9

Changes in loan loss provisions 2023	Expected credit loss Stage 1	Expected credit loss Stage 2	Expected credit loss Stage 3	Total
Opening balance as 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
Opening balance as at 31.12.23	**12,4**	**12,6**	**85,0**	**109,9**
- 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

Changes in gross lending – Group

Change in gross lending by stage, 2024	Stage 1	Stage 2	Stage 3	Total
Inngående balanse pr. 01.01.24	**35.971,5**	**1.490,7**	**277,2**	**37.739,4**
Transferred to Stage 1	497,6	-482,8	-14,7	0,0
Transferred to Stage 2	-693,3	716,2	-22,9	0,0
Transferred to Stage 3	-95,6	-66,3	161,9	0,0
Net change	-258,3	-67,4	-46,5	-372,2
New loans	16.612,8	519,8	14,9	17.147,5
Deducted lending	-17.230,2	-516,0	-50,7	-17.796,9
Opening balance as at 31.12.24	**34.804,4**	**1.594,3**	**319,1**	**36.717,8**
- of which loans with forbearance	0,0	197,9	37,9	235,9

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

Change in gross lending by stage, 2023	Stage 1	Stage 2	Stage 3	Total
Opening balance as 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
Opening balance as at 31.12.23	**35.971,5**	**1.490,7**	**277,2**	**37.739,4**
- of which loans with forbearance	0,0	222,3	41,2	263,5

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

Changes in loan loss provisions – retail at parent bank and mortgage credit company

Changes in loan loss provisions 2024	Expected credit loss Stage 1	Expected credit loss Stage 2	Expected credit loss Stage 3	Total
Opening balance as at 01.01.24	**6,8**	**5,1**	**3,7**	**15,5**
Transferred to Stage 1	1,3	-1,3	0,0	0,0
Transferred to Stage 2	-0,2	0,2	0,0	0,0
Transferred to Stage 3	0,0	-0,7	0,7	0,0
Net change	-1,3	2,9	1,1	2,7
New losses	2,7	1,2	0,0	3,9
Deducted losses	-2,7	-1,6	0,0	-4,3
Change in risk model/parameters	0,0	0,0	0,0	0,0
Opening balance as at 31.12.24	**6,6**	**5,8**	**5,5**	**17,8**
- of which loan loss provisions for unused credit and guarantees	0,7	0,2	0,0	0,9
Model-calculated loan loss provisions	6,6	5,8	0,3	12,6
Individual loan loss provisions	0,0	0,0	5,2	5,2

Changes in loan loss provisions 2023	Expected credit loss Stage 1	Expected credit loss Stage 2	Expected credit loss Stage 3	Total
Opening balance as at 01.01.23	**6,7**	**9,0**	**3,7**	**19,3**
Transferred to Stage 1	2,2	-2,2	0,0	0,0
Transferred to Stage 2	-0,2	0,2	0,0	0,0
Transferred to Stage 3	0,0	-1,3	1,3	0,0
Net change	-2,3	1,4	-1,2	-2,1
New losses	2,8	1,1	0,0	3,9
Deducted losses	-2,5	-3,0	0,0	-5,6
Change in risk model/parameters	0,0	0,0	0,0	0,0
Opening balance as at 31.12.23	**6,8**	**5,1**	**3,7**	**15,5**
- of which loan loss provisions for unused credit and guarantees	0,7	0,2	0,0	0,9
Model-calculated loan loss provisions	6,8	5,1	0,2	12,0
Individual loan loss provisions	0,0	0,0	3,5	3,5

Changes in gross lending – retail at parent bank and mortgage credit company

Change in gross lending by stage, 2024	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 01.01.24	**30.008,5**	**946,7**	**79,6**	**31.034,8**
Transferred to Stage 1	295,7	-285,1	-10,6	0,0
Transferred to Stage 2	-466,5	481,0	-14,5	0,0
Transferred to Stage 3	-15,4	-27,3	42,7	0,0
Net change	0,8	-33,0	-2,0	-34,1
New loans	14.842,1	338,7	4,7	15.185,5
Deducted lending	-15.438,6	-395,0	-20,7	-15.854,4
Opening balance as at 31.12.24	**29.226,6**	**1.025,9**	**79,2**	**30.331,8**
- of which loans with forbearance	0,0	133,8	37,8	171,6

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

Change in gross lending by stage, 2023	Stage 1	Stage 2	Stage 3	Total

Opening balance as at 01.01.23	**29.606,2**	**876,1**	**47,8**	**30.530,1**
Transferred to Stage 1	264,2	-261,7	-2,5	0,0
Transferred to Stage 2	-447,0	462,4	-15,5	0,0
Transferred to Stage 3	-10,2	-47,2	57,4	0,0
Net change	188,2	-35,8	-3,2	149,1
New loans	16.333,8	335,5	8,6	16.677,9
Deducted lending	-15.926,7	-382,6	-13,0	-16.322,3
Opening balance as at 31.12.23	**30.008,5**	**946,7**	**79,6**	**31.034,8**
- of which loans with forbearance	0,0	211,7	34,9	246,6

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

Changes in loan loss provisions – business

Changes in loan loss provisions 2024	Expected credit loss Stage 1	Expected credit loss Stage 2	Expected credit loss Stage 3	Total
Opening balance as at 01.01.24	**2,5**	**2,8**	**1,8**	**7,1**
Transferred to Stage 1	1,3	-1,3	0,0	0,0
Transferred to Stage 2	-0,1	0,1	0,0	0,0
Transferred to Stage 3	0,0	-0,1	0,2	0,0
Net change	-0,9	0,5	-0,3	-0,7
New losses	0,6	1,0	0,0	1,6
Deducted losses	-0,8	-0,3	-0,4	-1,6
Change in risk model/parameters	0,0	0,0	0,0	0,0
Opening balance as at 31.12.24	**2,6**	**2,6**	**1,2**	**6,4**
- of which loan loss provisions for unused credit and guarantees	-0,1	0,1	0,0	0,0
Model-calculated loan loss provisions	2,6	2,6	0,0	5,2
Individual loan loss provisions	0,0	0,0	1,2	1,2

Changes in loan loss provisions 2023	Expected credit loss Stage 1	Expected credit loss Stage 2	Expected credit loss Stage 3	Total
Opening balance as at 01.01.23	**1,6**	**1,3**	**1,8**	**4,7**
Transferred to Stage 1	0,0	0,0	0,0	0,0
Transferred to Stage 2	-0,1	0,1	0,0	0,0
Transferred to Stage 3	-0,1	0,0	0,1	0,0
Net change	-0,5	0,0	-0,1	-0,6
New losses	1,2	1,3	0,0	2,5
Deducted losses	-0,3	-0,2	0,0	-0,6
Change in risk model/parameters	0,6	0,5	0,0	1,1
Opening balance as at 31.12.23	**2,5**	**2,8**	**1,8**	**7,1**
- of which loan loss provisions for unused credit and guarantees	0,0	0,3	0,3	0,6
Model-calculated loan loss provisions	2,5	2,8	0,1	5,3
Individual loan loss provisions	0,0	0,0	1,8	1,8

Changes in gross lending – business

Change in gross lending by stage, 2024	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 01.01.24	**3.569,0**	**259,3**	**29,3**	**3.857,6**
Transferred to Stage 1	113,5	-113,5	0,0	0,0
Transferred to Stage 2	-68,9	68,9	0,0	0,0
Transferred to Stage 3	-50,0	-2,6	52,6	0,0
Net change	49,0	9,7	-7,1	51,6
New lending	811,1	94,7	0,0	905,8
Deducted lending	-1.208,5	-58,9	-3,3	-1.270,7
Opening balance as at 31.12.24	**3.215,2**	**257,7**	**71,6**	**3.544,5**
- of which loans with forbearance	0,0	62,7	0,0	62,7

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

Change in gross lending by stage, 2023	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 01.01.23	**3.341,0**	**126,8**	**6,6**	**3.474,4**
Transferred to Stage 1	4,9	-4,9	0,0	0,0
Transferred to Stage 2	-84,1	84,1	0,0	0,0
Transferred to Stage 3	-23,0	0,0	23,0	0,0
Net change	-124,1	-18,6	-0,2	-142,9
New lending	1.470,8	112,8	0,0	1.583,6
Deducted lending	-1.016,5	-40,8	-0,1	-1.057,4
Opening balance as at 31.12.23	**3.569,0**	**259,3**	**29,3**	**3.857,6**
- of which loans with forbearance	0,0	8,5	6,1	14,7

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

Changes in loan loss provisions – AS Financiering

Changes in loan loss provisions 2024	Expected credit loss Stage 1	Expected credit loss Stage 2	Expected credit loss Stage 3	Total
Opening balance as at 01.01.24	**3,2**	**4,7**	**79,5**	**87,4**
Transferred to Stage 1	1,1	-0,9	-0,2	0,0
Transferred to Stage 2	-0,3	0,8	-0,6	0,0
Transferred to Stage 3	-0,1	-0,9	1,0	0,0
Net change	-1,8	1,6	10,8	10,5
New losses	1,5	1,3	1,7	4,5
Deducted losses	-0,8	-1,0	-12,6	-14,4
Change in risk model/parameters	0,0	0,0	0,0	0,0
Opening balance as at 31.12.24	**2,9**	**5,5**	**79,6**	**88,0**
- of which loan loss provisions for unused credit and guarantees	0,0	0,0	0,0	0,0
Model-calculated loan loss provisions	2,9	5,5	1,0	9,4
Individual loan loss provisions	0,0	0,0	78,5	78,5

Changes in loan loss provisions 2023	Expected credit loss Stage 1	Expected credit loss Stage 2	Expected credit loss Stage 3	Total
Opening balance as at 01.01.23	**2,9**	**5,1**	**81,2**	**89,2**
Transferred to Stage 1	1,4	-1,1	-0,3	0,0
Transferred to Stage 2	-0,2	0,8	-0,5	0,0
Transferred to Stage 3	-0,1	-1,1	1,2	0,0
Net change	-2,1	0,6	10,0	8,6
New losses	1,9	1,4	1,5	4,8
Deducted losses	-0,7	-0,9	-13,5	-15,1
Change in risk model/parameters	0,0	0,0	0,0	0,0
Opening balance as at 31.12.23	**3,2**	**4,7**	**79,5**	**87,4**
- of which loan loss provisions for unused credit and guarantees	0,0	0,0	0,0	0,0
Model-calculated loan loss provisions	3,2	4,7	1,0	8,9
Individual loan loss provisions	0,0	0,0	78,5	78,5

Changes in gross lending – AS Financiering

Change in gross lending by stage, 2024	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 01.01.24	**2.394,0**	**284,7**	**168,3**	**2.847,0**
Transferred to Stage 1	88,4	-84,3	-4,1	0,0
Transferred to Stage 2	-158,0	166,3	-8,4	0,0
Transferred to Stage3	-30,2	-36,3	66,5	0,0
Net change	-308,1	-44,2	-37,4	-389,7
New loans	959,6	86,4	10,2	1.056,2
Deducted lending	-583,1	-62,1	-26,7	-671,9
Opening balance as at 31.12.24	**2.362,6**	**310,7**	**168,3**	**2.841,6**
- of which loans with forbearance	0,0	1,4	0,2	1,6

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

Change in gross lending by stage, 2023	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 01.01.23	**2.182,3**	**269,2**	**160,6**	**2.612,1**
Transferred to Stage 1	92,3	-88,7	-3,7	0,0
Transferred to Stage 2	-123,1	131,9	-8,7	0,0
Transferred to Stage3	-25,8	-36,2	62,0	0,0
Net change	-312,0	-38,1	-31,0	-381,0
New loans	1.104,9	98,3	13,5	1.216,7
Deducted lending	-524,6	-51,7	-24,4	-600,7
Opening balance as at 31.12.23	**2.394,0**	**284,7**	**168,3**	**2.847,0**
- of which loans with forbearance	0,0	2,1	0,1	2,2

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

Changes in loan loss provisions – parent bank

Changes in loan loss provisions 2024	Expected credit loss Stage 1	Expected credit loss Stage 2	Expected credit loss Stage 3	Total
Opening balance as at 01.01.24	**5,8**	**5,7**	**5,5**	**17,1**
Transferred to Stage 1	1,9	-1,9	0,0	0,0
Transferred to Stage 2	-0,2	0,2	0,0	0,0
Transferred to Stage 3	0,0	-0,8	0,8	0,0
Net change	-1,6	2,5	0,7	1,6
New losses	2,3	1,5	0,0	3,8
Deducted losses	-2,5	-1,4	-0,4	-4,3
Change in risk model/parameters	0,0	0,0	0,0	0,0
Opening balance as at 31.12.24	**5,7**	**5,8**	**6,6**	**18,2**
- of which loan loss provisions for unused credit and guarantees	0,2	0,1	0,0	0,4
Model-calculated loan loss provisions	5,7	5,8	0,3	11,8
Individual loan loss provisions	0,0	0,0	6,4	6,4

Endringer i tapsavsetninger 2023	Forventet tap Trinn 1	Forventet tap Trinn 2	Forventet tap Trinn 3	Totalt
Opening balance as 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
Opening balance as at 31.12.23	**5,8**	**5,7**	**5,5**	**17,1**
- of which loan loss provisions for unused credit and guarantees	0,3	0,4	0,3	1,0
Model-calculated loan loss provisions	5,8	5,7	0,3	11,8
Individual loan loss provisions	0,0	0,0	5,2	5,2

Changes in gross lending – parent bank

Change in gross lending by stage, 2024	Trinn 1	Trinn 2	Trinn 3	Totalt
Opening balance as at 01.01.24	**16.047,6**	**699,2**	**74,2**	**16.821,1**
Transferred to Stage 1	231,0	-226,2	-4,8	0,0
Transferred to Stage 2	-248,0	262,5	-14,5	0,0
Transferred to Stage3	-55,7	-12,1	67,9	0,0
Net change	-58,4	9,1	-6,8	-56,0
New loans	6.565,8	192,9	0,0	6.758,6
Deducted lending	-8.161,3	-265,9	-11,4	-8.438,6
Opening balance as at 31.12.24	**14.321,0**	**659,5**	**104,6**	**15.085,2**
- of which loans with forbearance	0,0	102,4	14,0	116,5

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

Change in gross lending by stage, 2023	Trinn 1	Trinn 2	Trinn 3	Totalt
Opening balance as 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 Stage3	-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
Opening balance as at 31.12.23	**16.047,6**	**699,2**	**74,2**	**16.821,1**
- of which loans with forbearance	0,0	70,6	26,9	97,5

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

Model-based expected credit loss

The economic outlook is considered largely unchanged at the end of 2024 compared to the assumptions made when preparing the 2023 annual financial statements.
The probability weighting of macroeconomic scenarios in the calculation of model-based expected loss remains unchanged at the end of 2024 compared to what was used when preparing the 2023 annual financial statements. The factors for the different scenarios, which express the size of the expected loss in the optimistic and pessimistic scenarios compared to the expected loss in the baseline scenario, remain unchanged at the end of 2024, compared to the assumptions made when preparing the 2023 annual financial statements.

Sensitivity analyses of model-based expected credit loss

Macroeconomic scenarios and probability weighting

For measuring expected loss in the group, commitments are divided into segments. The key segments are commercial real estate, other business loans, residential loans, and AS Financiering. In the measurement of model-based expected loss for each segment, factors such as the macroeconomic situation, expected economic development, events that have occurred, developments in defaults and losses, changes in the segment's credit quality, and price trends in the housing and commercial real estate markets are taken into account. These assessments require a high degree of judgment. Expected loss in the baseline scenario is derived based on a normal economic situation over time, with a factor set to 100 for all segments. In the optimistic and pessimistic scenarios, assessments are made based on the expected scenario. The expected loss in these scenarios, compared to the expected scenario, is expressed through an estimated factor. In the pessimistic scenario, the factor is estimated at 200 for all commitments except for commercial engagements, where the factor is estimated at 1,000 for commercial real estate and 300 for other business loans. In the assessment of the pessimistic scenario, considerations reflect a realistic, strict, and negative macroeconomic development, where defaults increase, and collateral values decrease, leading to higher losses and affected repayment plans as refinancing becomes more difficult. In the optimistic scenario, the factor is estimated at 80.

The tables below show the expected credit loss in the various scenarios and the probability weight. Individually assessed loan loss provisions remain unchanged in the different scenarios.

31.12.24 - Group	Probability weighting	Stage 1	Stage 2	Stage3	Total
Retail at parent bank and mortgage credit company					
Optimistic scenario	0 %	4,0	3,6	5,3	12,9
Expected scenario	70 %	5,0	4,5	5,4	14,8
Pessimistic scenario	30 %	10,1	9,0	5,7	24,8
Loan loss provisions (probability-weighted)	**100 %**	**6,6**	**5,8**	**5,5**	**17,8**
Business					
Optimistic scenario	0 %	0,7	0,8	1,2	2,7
Expected scenario	70 %	0,9	0,9	1,2	3,1
Pessimistic scenario	30 %	6,5	6,4	1,3	14,1
Loan loss provisions (probability-weighted)	**100 %**	**2,6**	**2,6**	**1,2**	**6,4**
AS Financiering					

Optimistic scenario	0 %	1,8	3,4	79,2	84,3
Expected scenario	70 %	2,2	4,3	79,3	85,8
Pessimistic scenario	30 %	4,4	8,5	80,1	93,1
Loan loss provisions (probability-weighted)	**100 %**	**2,9**	**5,5**	**79,6**	**88,0**
Total Group					
Optimistic scenario	0 %	6,5	7,7	85,7	100,0
Expected scenario	70 %	8,2	9,7	85,9	103,7
Pessimistic scenario	30 %	21,1	23,9	87,0	132,0
Loan loss provisions (probability-weighted)	**100 %**	**12,0**	**13,9**	**86,2**	**112,2**

31.12.23 - Group	**Probability weighting**	**Stage 1**	**Stage 2**	**Stage3**	**Total**
Retail at parent bank and mortgage credit company					
Optimistic scenario	0 %	4,1	3,0	3,6	10,7
Expected scenario	70 %	5,2	3,8	3,6	12,6
Pessimistic scenario	30 %	10,5	8,0	3,9	22,3
Loan loss provisions (probability-weighted)	**100 %**	**6,8**	**5,1**	**3,7**	**15,5**
Business					
Optimistic scenario	0 %	0,7	1,0	1,8	3,5
Expected scenario	70 %	0,9	1,2	1,8	3,9
Pessimistic scenario	30 %	6,1	6,3	2,0	14,4
Loan loss provisions (probability-weighted)	**100 %**	**2,5**	**2,8**	**1,8**	**7,1**
AS Financiering					
Optimistic scenario	0 %	1,9	2,9	79,1	83,9
Expected scenario	70 %	2,4	3,6	79,2	85,3
Pessimistic scenario	30 %	4,9	7,3	80,0	92,1
Loan loss provisions (probability-weighted)	**100 %**	**3,2**	**4,7**	**79,5**	**87,4**
Total Group					
Optimistic scenario	0 %	6,8	6,9	84,5	98,2
Expected scenario	70 %	8,5	8,7	84,6	101,8
Pessimistic scenario	30 %	21,4	21,6	85,9	128,9
Loan loss provisions (probability-weighted)	**100 %**	**12,4**	**12,6**	**85,0**	**109,9**

31.12.24 - Parent bank	Probability weighting	Stage 1	Stage 2	Stage3	Total
Optimistic scenario	0 %	2,6	2,7	6,5	11,9
Expected scenario	70 %	3,3	3,4	6,5	13,3
Pessimistic scenario	30 %	11,3	11,4	6,9	29,6
Loan loss provisions (probability-weighted)	**100 %**	**5,7**	**5,8**	**6,6**	**18,2**

31.12.23 - Morbank	Probability weighting	Stage 1	Stage 2	Stage3	Total
Optimistic scenario	0 %	2,8	2,7	5,4	10,9
Expected scenario	70 %	3,5	3,4	5,4	12,3
Pessimistic scenario	30 %	11,3	11,1	5,9	28,3
Loan loss provisions (probability-weighted)	**100 %**	**5,8**	**5,7**	**5,5**	**17,1**

Sensitivity to model parameters

A sensitivity analysis has been conducted based on the assumptions to which model-based expected credit loss is most sensitive, which are probability of default, expected loss given default and the probability weighting of the pessimistic scenario. The sensitivity analyses are based on the modelled expected loss and do not include commitments that have been individually loss-assessed.

An increase in the probability of default assumes a doubling of the estimated 12-month probability of default (PD). For expected loss given default (LGD), an increase of 50 per cent is used. The assumption used in setting the pessimistic scenario's probability weighting is that the probability will increase by 50 per cent and that the expected scenario will be reduced correspondingly.

31.12.24 - Group	Doubling of probability of default (PD)	50% increase in loss given default (LGD)	50% increase in probability weight for pessimistic scenario
Business	6,5	2,6	1,7
Retail at parent bank and mortgage credit company	14,0	6,3	1,5
AS Financiering	10,6	4,7	1,1
Total	**31,0**	**13,7**	**4,2**

31.12.23 - Group	Doubling of probability of default (PD)	50% increase in loss given default (LGD)	50% increase in probability weight for pessimistic scenario
Business	5,1	2,7	1,6
Retail at parent bank and mortgage credit company	14,1	6,0	1,5
AS Financiering	10,6	4,4	1,0
Total	**29,8**	**13,1**	**4,1**

31.12.24 - Parent bank	Doubling of probability of default (PD)	50% increase in loss given default (LGD)	50% increase in probability weight for pessimistic scenario
Næring	5,9	2,5	1,6
Person	7,2	3,3	0,8
Totalt	**13,1**	**5,9**	**2,5**

31.12.23 - Parent bank	Doubling of probability of default (PD)	50% increase in loss given default (LGD)	50% increase in probability weight for pessimistic scenario
Business	5,1	2,6	1,6
Retail	7,6	3,3	0,8
Totalt	**12,7**	**5,9**	**2,4**

Sensitivity on individually assessed loan loss provisions
Engagements with individually assessed loan loss provisions in AS Financiering have a total gross commitment of NOK 148.9 million (146.5 million) and individually assessed loan loss provisions amount to NOK 78.5 million (78.5 million), which gives a net book value of NOK 70.4 million (68.0 million). The engagements are primarily characterized by the fact that the collateral objects have been realized (typically a vehicle) and that the company has a smaller remaining claim for further collection. Many of the engagements in AS Financiering are settled without a loss. The range for loan loss provisions after realization of collateral typically varies from 35 percent to 90 percent, and depends on factors such as how long the engagement has been in default. As of 31.12, the average loan loss provision level is 52.7 percent (53.6 percent). If the loan loss provision rate had increased by 5 percentage points, the individually assessed loan loss provisions in AS Financiering would have increased by NOK 7.5 million (7.3 million) as of 31.12.

Engagements with individually assessed loan loss provisions in the parent bank have a total gross commitment of NOK 12.8 million (10.2 million) and individually assessed loan loss provisions amount to NOK 6.4 million (5.2 million), which gives a net book value of NOK 6.4 million (5.0 million). If the loan loss provision rate had increased by 5 percentage points, the individually assessed loan loss provisions in the parent bank would have increased by NOK 0.6 million (0.5 million) as of 31.12.

Defaulted customer engagements

Group 2024	Group 2023		Parent bank 2024	Parent bank 2023
		Payments over 90 days past due		
17,6	10,9	Business	17,6	10,9
17,9	13,6	Retail	12,8	5,8
148,9	146,5	AS Financiering	0,0	0,0
184,4	**171,0**	**Gross payment defaults**	**30,4**	**16,7**
85,2	84,0	Loan loss provisions	6,6	5,5
99,2	**87,0**	**Net payment defaults**	**23,7**	**11,1**
46 %	49 %	Provisions ratio	22 %	33 %
		Other non-performing commitments		
54,1	19,5	Business	52,7	19,5
61,3	67,3	Retail	21,7	39,1
19,4	21,7	AS Financiering	0,0	0,0
134,8	**108,5**	**Gross other non-performing commitments**	**74,4**	**58,6**
1,1	1,0	Loan loss provisions	0,0	0,0
133,8	**107,5**	**Net other non-performing commitments**	**74,4**	**58,6**
1 %	1 %	Provisions ratio	0 %	0 %
		Total non-performing commitments		
71,7	30,4	Business	70,2	30,4
79,2	80,9	Retail	34,5	44,9
168,3	168,3	AS Financiering	0,0	0,0
319,2	**279,6**	**Gross non-performing commitments**	**104,7**	**75,3**
86,2	85,0	Loan loss provisions	6,6	5,5
233,0	**194,6**	**Net non-performing commitments**	**98,1**	**69,8**
27 %	30 %	Provisions ratio	6 %	7 %

The increase in other defaulted engagements from 2023 is due to a single business engagement with expected payment default, but where the collateral is considered to have sufficient value as of today.

NOTE 11 - INTEREST RATE RISK

Interest rate risk related to deposits from and loans to credit institutions, customer deposits and loans to customers, as well as debt and investments in certificates and bonds, is managed through the use of interest rate swaps and fixed-rate agreements.

Loans to and deposits from individual customers effectively entail a 2-month interest rate binding period (Financial Contracts Act §3-13, 2nd paragraph).

Below is the sensitivity of the result to a parallel shift in the interest rate curve of 1 percentage point. The effect is calculated based on a permanent shift in the interest rate curve occurring at the measurement date of 31 December and represents a one-year result effect. The table shows that an immediate increase in interest rates of 1 percentage point will result in a net increase in the result. Similarly, an immediate reduction in interest rates will result in a reduced result.

The table "Time to Expected Interest Rate Change" shows the distribution of the balance with respect to the timing of interest rate changes. Net exposure shows the net interest rate binding of the asset and liability sides. Positive amounts for net exposure indicate that the bank has more interest rate binding on the asset side than on the liability side.

Interest rate sensitivity - group as of 31.12.24

Currency	Increase in basis points	Sensitivity of profit	Sensitivity of equity	Decrease in basis points	Sensitivity of profit	Sensitivity of equity
NOK	+100	49,0	0,0	-100	-49,0	0,0
Total		**49,0**	**0,0**	**-100**	**-49,0**	**0,0**

Interest rate sensitivity – Group as at 31.12.23

Valuta	Increase in basis points	Sensitivity of profit	Sensitivity of equity	Decrease in basis points	Sensitivity of profit	Sensitivity of equity
NOK	+100	54,6	0,0	-100	-54,6	0,0
Total		**54,6**	**0,0**	**-100**	**-54,6**	**0,0**

Time until expected rate change as at 31.12.24 – Group

		Up to 1 month	From 1-3 months	From 3 months to 1 year	From 1-5 years	Over 5 years	Without fixed interest rate	Total
Assets								
Cash and receivables from central banks	NOK	417,8					12,9	430,8
	FCY						0,3	0,3
Loans to and receivables from financial institutions	NOK	18,2						18,2
Lending to customers	NOK	3.527,7	32.992,5	50,2	317,6	24,6		36.912,6
Certificates and bonds	NOK	1.972,4	5.286,3		392,8	48,5		7.700,0
Financial derivatives	NOK						3,5	3,5
Accrued interest, not yet due	NOK						169,3	169,3
Other asset items	NOK						922,5	922,5
	FCY						75,0	75,0
Total		**5.936,1**	**38.278,8**	**50,2**	**710,5**	**73,1**	**1.183,6**	**46.232,3**
Liabilities								
Liabilities to financial institutions	NOK			163,6				163,6
Customer deposits	NOK	3.522,3	13.354,3					16.876,6
Financial derivatives	NOK						210,8	210,8
Securities issued	NOK	4.985,2	16.559,0					21.544,2
Subordinated senior bonds	NOK		1.597,0					1.597,0
Subordinated loan capital	NOK		500,0					500,0
Accrued interest	NOK						178,1	178,1
Other liabilities	NOK						35,0	35,0
Total		**8.507,4**	**32.010,3**	**163,6**	**0,0**	**0,0**	**423,9**	**41.105,2**
Net interest rate exposure on balance sheet		**-2.571,3**	**6.268,5**	**-113,4**	**710,5**	**73,1**	**759,7**	
Contract sum for financial derivatives, without hedge accounting, that affects interest rate exposure	NOK	210,0	624,0	-75,0	-680,0	-79,0		
Net exposure		**-2.361,3**	**6.892,5**	**-188,4**	**30,5**	**-5,9**	**759,7**	

The table is based on book values excluding accrued interest. Securities issued where hedge accounting is used include the effect of hedging instruments.

Time until expected rate change as at 31.12.23 – Group

		Up to 1 month	From 1-3 months	From 3 months to 1 year	From 1-5 years	Over 5 years	Without fixed interest rate	Total
Assets								
Cash and receivables								
from central banks	NOK	398,0					18,8	416,9
	FCY						0,5	0,5
Loans to and receivables from financial institutions	NOK	16,5						16,5
Lending to customers	NOK	3.749,6	33.785,6	42,2	175,4	28,2		37.781,0
Certificates and bonds	NOK	972,8	4.405,3	49,3	296,4	153,9		5.877,7
Financial derivatives	NOK						20,4	20,4
Accrued interest, not yet due	NOK						179,7	179,7
Other asset items	NOK						833,5	833,5
	FCY						61,0	61,0
Total		**5.136,9**	**38.190,9**	**91,4**	**471,8**	**182,1**	**1.113,9**	**45.187,1**
Liabilities								
Liabilities to financial institutions	NOK			218,1				218,1
Customer deposits	NOK	3.735,7	12.118,2					15.853,9
Financial derivatives	NOK						145,4	145,4
Securities issued	NOK	2.205,0	19.310,0					21.515,0
Subordinated senior bonds	NOK		1.492,7					1.492,7
Subordinated loan capital	NOK		400,0					400,0
Accrued interest	NOK						171,6	171,6
Other liabilities	NOK						61,8	61,8
Total		**5.940,7**	**33.320,9**	**218,1**	**0,0**	**0,0**	**378,9**	**39.858,6**
Net interest rate exposure on balance sheet		**-803,8**	**4.869,9**	**-126,7**	**471,8**	**182,1**	**735,0**	
Contract sum for financial derivatives, without hedge accounting, that affects interest rate exposure	NOK	140,0	604,0	-90,0	-470,0	-184,0		
Net exposure		**-663,8**	**5.473,9**	**-216,7**	**1,8**	**-1,9**	**735,0**	

The table is based on book values excluding accrued interest. Securities issued where hedge accounting is used include the effect of hedging instruments.

Interest rate sensitivity – parent bank as at 31.12.24

Currency	Increase in basis points	Sensitivity of profit	Sensitivity of equity	Decrease in basis points	Sensitivity of profit	Sensitivity of equity
NOK	+100	24,9	0,0	-100	-24,9	0,0
Total		**24,9**	**0,0**		**-24,9**	**0,0**

Interest rate sensitivity – parent bank as at 31.12.23

Valuta	Increase in basis points	Sensitivity of profit	Sensitivity of equity	Decrease in basis points	Sensitivity of profit	Sensitivity of equity
NOK	+100	28,4	0,0	-100	-28,4	0,0
Total		**28,4**	**0,0**		**-28,4**	**0,0**

Time until expected rate change as at 31.12.24 - parent bank

		Up to 1 month	From 1-3 months	From 3 months to 1 year	From 1-5 years	Over 5 years	Without fixed interest rate	Total
Assets								
Cash and receivables from central banks	NOK	417,8					12,9	430,8
	FCY						0,3	0,3
Loans to and receivables from financial institutions	NOK	2.844,7	60,0					2.904,7
Lending to customers	NOK	3.396,3	11.637,8	50,2	317,6	24,6		15.426,5
Certificates and bonds	NOK	1.865,6	5.084,5		392,8	48,5		7.391,5
Financial derivatives	NOK						3,5	3,5
Accrued interest, not yet due	NOK						115,2	115,2
Other asset items	NOK						2.772,7	2.772,7
	FCY						75,0	75,0
Total		**8.524,4**	**16.782,3**	**50,2**	**710,5**	**73,1**	**2.979,6**	**29.120,1**
Liabilities								
Liabilities to financial institutions	NOK	879,9	0,6	163,6				1.044,2
Customer deposits	NOK	3.572,7	13.354,3					16.927,0
Financial derivatives	NOK						136,3	136,3
Securities issued	NOK	1.241,9	2.883,5					4.125,4
Subordinated senior bonds	NOK		1.597,0					1.597,0
Subordinated loan capital	NOK		500,0					500,0
Accrued interest	NOK						77,0	77,0
Other liabilities	NOK						66,9	66,9
Total		**5.694,5**	**18.335,4**	**163,6**	**0,0**	**0,0**	**280,2**	**24.473,8**
Net interest rate exposure on balance sheet		**2.829,9**	**-1.553,2**	**-113,4**	**710,5**	**73,1**	**2.699,4**	
Contract sum for financial derivatives, without hedge accounting, that affects interest rate exposure	NOK	210,0	624,0	-75,0	-680,0	-79,0		
Net exposure		**3.039,9**	**-929,2**	**-188,4**	**30,5**	**-5,9**	**2.699,4**	

The table is based on book values excluding accrued interest. Securities issued where hedge accounting is used include the effect of hedging instruments.

Time until expected rate change as at 31.12.23 - parent bank

		Up to 1 month	From 1-3 months	From 3 months to 1 year	From 1-5 years	Over 5 years	Without fixed interest rate	Total
Assets								
Cash and receivables from central banks	NOK	398,0					18,8	416,9
	FCY						0,5	0,5
Loans to and receivables from financial institutions	NOK	2.979,9	60,0					3.039,9
Lending to customers	NOK	3.609,2	13.153,3	42,2	175,4	28,2		17.008,4
Certificates and bonds	NOK	864,8	4.203,1	49,3	296,4	153,9		5.567,4
Financial derivatives	NOK						20,4	20,4
Accrued interest, not yet due	NOK						126,1	126,1
Other asset items	NOK						2.666,3	2.666,3
	FCY						61,0	61,0
Total		**7.852,0**	**17.416,4**	**91,4**	**471,8**	**182,1**	**2.893,1**	**28.906,9**
Liabilities								
Liabilities to financial institutions	NOK	637,9	0,7	218,1				856,8
Customer deposits	NOK	3.784,0	12.118,2					15.902,2
Financial derivatives	NOK						99,4	99,4
Securities issued	NOK	1.454,2	3.584,6					5.038,7
Subordinated senior bonds	NOK		1.492,7					1.492,7
Subordinated loan capital	NOK		400,0					400,0
Accrued interest	NOK						101,0	101,0
Other liabilities	NOK						95,3	95,3
Total		**5.876,1**	**17.596,2**	**218,1**	**0,0**	**0,0**	**295,7**	**23.986,1**
Net interest rate exposure on balance sheet		**1.975,9**	**-179,8**	**-126,7**	**471,8**	**182,1**	**2.597,5**	
Contract sum for financial derivatives, without hedge accounting, that affects interest rate exposure	NOK	140,0	604,0	-90,0	-470,0	-184,0		
Net exposure		**2.115,9**	**424,2**	**-216,7**	**1,8**	**-1,9**	**2.597,5**	

The table is based on book values excluding accrued interest. Securities issued where hedge accounting is used include the effect of hedging instruments.

NOTE 12 - LIQUIDITY RISK

As long as the bank's loan customers seek long-term financing and the bank's deposit customers can, in practice, access their deposits with very short notice, a liquidity risk will arise for the bank. In addition, Sparebanken Øst relies on financing a gap between deposits from customers and loans to the public. Sparebanken Øst has a conservative liquidity strategy, and at the end of 2024, the liquidity risk is considered low.

The bank has consciously sought to reduce liquidity risk by, among other things, diversifying its funding sources/instruments and/or balancing the maturity of capital procurement and capital usage. In addition to customer deposits, the bank primarily relies on the Norwegian bond market as a funding source. This slightly increases vulnerability, which is why the bank seeks to maintain a long-term funding strategy and aims to have a balanced relationship between long-term and short-term borrowings. The Net Stable Funding Ratio (NSFR) is used as a measure of long-term funding. As of the end of 2024, the bank had an NSFR of 133.4% compared to 127.7% a year ago.

The Liquidity Coverage Ratio (LCR) stands at 362.6% as of December 31, 2024, compared to 250.1% a year ago. The LCR is designed to ensure that banks have sufficient high-quality liquid assets to withstand a 30-day period of severe market disruption. The bank will at all times meet the applicable LCR requirements set by the authorities, both at the company and group level. The bank's liquidity portfolio primarily consists of cash, securities issued by the Norwegian government, government-guaranteed bonds, securities issued by Norwegian municipalities, and covered bonds. Additionally, the bank has pledged bonds as collateral for borrowing access from Norges Bank.

The group's deposits, measured as a percentage of net loans, stand at 45.6% as of December 31, 2024, compared to 41.9% a year ago. Other financing is primarily done in the market through the issuance of senior unsecured bonds and covered bonds. Frameworks and targets have been set to ensure that the ratio between deposits and market financing is maintained at a satisfactory level. The coming years will require significant refinancing, and the bank aims to plan for uncertain times by seeking refinancing at an early stage.

Financial liabilities

The nominal value of the Group's financial liabilities is shown below. All liabilities are added to the category for first possible payment when a contractual payment date is provided. The principal of the liability including future interest payments is what is stated. Interest rates and currency rates are as at 31.12.24. Liabilities associated with derivatives are shown on a separate line, and related inflows from derivatives are shown under each table.

Maturity analysis of financial liabilities as at 31.12.24 – Group

	Up to 1 month	From 1-3 months	From 3 months- 1 year	From 1-5 years	Over 5 years	No Term	Total
Liabilities to financial institutions			63,8	127,6			191,4
Customer deposits	12.904,2	3.446,7	678,2				17.029,1
Securities issued	40,2	209,9	3.746,9	18.984,5	1.786,7		24.768,2
Other liabilities			192,4				192,4
Subordinated senior bonds		18,6	68,4	1.365,9	416,2		1.869,1
Subordinated loan capital		8,8	25,2	484,5	102,7		621,2
Loan pledges	260,1						260,1
Unused credit	3.951,0						3.951,0
Guarantees						25,3	25,3
Financial liabilities excl. derivatives	**17.155,5**	**3.684,0**	**4.774,8**	**20.962,5**	**2.305,6**	**25,3**	**48.907,7**
Financial derivatives (outflows)	33,2	63,9	272,7	965,0	274,9		1.609,7
Financial liabilities	**17.188,7**	**3.748,0**	**5.047,5**	**21.927,5**	**2.580,5**	**25,3**	**50.517,4**
Financial derivatives (inflows)	1,4	63,1	205,4	766,4	243,9		1.280,3

Maturity analysis of financial liabilities as at 31.12.23 – Group

	Up to 1 month	From 1-3 months	From 3 months- 1 year	From 1-5 years	Over 5 years	No Term	Total
Liabilities to financial institutions			67,7	203,1			270,8
Customer deposits	12.884,2	2.529,9	577,8	0,3			15.992,3
Securities issued	208,2	1.233,2	3.215,2	17.009,0	2.570,5		24.236,1
Other liabilities			515,4				515,4
Subordinated senior bonds		17,1	63,8	1.379,0	324,1		1.784,0
Subordinated loan capital		7,1	21,3	502,8			531,1
Loan pledges	541,8						541,8
Unused credit	4.033,8						4.033,8
Guarantees						26,7	26,7
Financial liabilities excl. derivatives	**17.668,1**	**3.787,4**	**4.461,1**	**19.094,2**	**2.894,6**	**26,7**	**47.932,1**
Financial derivatives (outflows)	34,4	64,8	236,2	914,4	160,7		1.410,6

Financial liabilities	**17.702,5**	**3.852,2**	**4.697,2**	**20.008,6**	**3.055,4**	**26,7**	**49.342,7**
Financial derivatives (inflows)	9,9	41,5	208,0	689,5	132,3		1.081,2

Maturity analysis of financial liabilities as at 31.12.24 - parent bank

	Up to 1 month	From 1-3 months	From 3 months- 1 year	From 1-5 years	Over 5 years	No Term	Total
Liabilities to financial institutions			63,8	127,6		880,6	1.071,9
Customer deposits	12.954,6	3.446,7	678,2				17.079,5
Securities issued	0,0	40,8	645,6	3.423,7	1.067,3		5.177,3
Other liabilities			144,8				144,8
Subordinated senior bonds		18,6	68,4	1.365,9	416,2		1.869,1
Subordinated loan capital		8,8	25,2	484,5	102,7		621,2
Loan pledges	227,4						227,4
Unused credit	3.487,5						3.487,5
Guarantees						25,3	25,3
Financial liabilities excl. derivatives	**16.669,4**	**3.514,9**	**1.625,9**	**5.401,6**	**1.586,2**	**905,9**	**29.703,9**
Financial derivatives (outflows)	22,8	54,5	213,1	772,1	237,1		1.299,6
Financial liabilities	**16.692,2**	**3.569,4**	**1.839,1**	**6.173,8**	**1.823,2**	**905,9**	**31.003,5**
Financial derivatives (inflows)	1,4	63,1	151,9	654,5	224,5		1.095,3

Maturity analysis of financial liabilities as at 31.12.23 - parent bank

	Up to 1 month	From 1-3 months	From 3 months- 1 year	From 1-5 years	Over 5 years	No Term	Total
Liabilities to financial institutions			67,7	203,1		638,6	909,4
Customer deposits	12.975,8	2.529,9	577,8	0,3			16.083,9
Securities issued	208,2	1.032,7	633,5	2.080,3	1.831,6		5.786,3
Other liabilities			579,8				579,8
Subordinated senior bonds		17,1	63,8	1.379,0	324,1		1.784,0
Subordinated loan capital		7,1	21,3	502,8			531,1
Loan pledges	510,4						510,4
Unused credit	3.502,2						3.502,2
Guarantees						26,7	26,7
Financial liabilities excl. derivatives	**17.196,7**	**3.586,8**	**1.943,9**	**4.165,4**	**2.155,7**	**665,4**	**29.713,9**
Financial derivatives (outflows)	23,9	55,3	175,9	677,3	84,4		1.016,7
Financial liabilities	**17.220,5**	**3.642,1**	**2.119,8**	**4.842,7**	**2.240,1**	**665,4**	**30.730,6**
Financial derivatives (inflows)	9,9	41,5	154,4	543,4	93,4		842,6

NOTE 13 - CURRENCY RISK

Market risk associated with currency risk as at 31.12.24

Currency	Increase in exchange rate, % %	Effect on profit before tax	Effect on equity	Decrease in exchange rate, %	Effect on profit before tax	Effect on equity
USD	+10	0,8	0,0	-10	-0,8	0,0
Total		**0,8**	**0,0**		**-0,8**	**0,0**

Market risk associated with currency risk as at 31.12.23

Currency	Increase in exchange rate, % %	Effect on profit before tax	Effect on equity	Decrease in exchange rate, %	Effect on profit before tax	Effect on equity
USD	+10	1,9	0,0	-10	-1,9	0,0
Total		**1,9**	**0,0**		**-1,9**	**0,0**

"The bank has limited currency exposure. As of December 31, 2024, the bank's open net position was NOK 7.8 million (NOK 18.8 million as of December 31, 2023). Normally, investments and borrowings in foreign currency are hedged by an opposing position, typically using foreign exchange swap agreements and similar derivatives. Positions without a fixed maturity date are hedged using currency forwards. For further details, see note 19 Financial derivatives.

NOTE 14 - NET INTEREST INCOME

Group 2024	Group 2023		Parent bank 2024	Parent bank 2023
21,0	15,7	Interest income and similar income from loans to and receivables from financial institutions	196,9	155,4
1,4	1,0	Interest income and similar income from finance leases	0,0	0,0
2.346,8	1.931,0	Interest income and similar income from loans to customers	615,7	658,4
10,5	10,0	Interest income and similar income from financial assets that are impaired	0,5	0,2
0,0	0,0	Loans to and receivables from financial institutions	0,0	0,0
10,5	10,0	Loans to and receivables from customers	0,5	0,2
3,7	4,5	Other interest income and similar income	3,7	4,5
2.383,4	1.962,2	Total interest income and similar income for instruments at amortised cost	816,8	818,5
11,3	8,8	Interest income and similar income from loans at fair value	391,1	176,4
333,8	273,9	Interest income and similar income from certificates, bonds, etc.	316,1	259,5
345,1	282,7	Total interest income and similar income for instruments at fair value through profit and loss	707,2	435,9
2.728,5	**2.244,9**	**Interest income and similar income**	**1.524,0**	**1.254,4**
6,5	9,3	Interest costs and similar costs for liabilities to financial institutions	61,5	32,0
499,4	312,5	Interest costs and similar costs for deposits from customers	500,8	314,3
1.162,3	993,7	Interest costs and similar costs for securities issued	255,3	260,6
86,0	59,0	Interest costs and similar costs for senior subordinated bonds issued	86,0	59,0
29,4	25,4	Interest costs and similar costs for subordinated loan capital	29,4	25,4
13,2	16,3	Other interest costs and similar costs	11,4	13,5
1.796,9	**1.416,1**	**Interest costs and similar costs for instruments at amortised cost**	**944,4**	**704,7**
931,6	**828,8**	**Net interest income**	**579,5**	**549,7**

Average interest rates and average interest-bearing assets and liabilities in the period

Group 2024		Parent bank 2024
Avg.		Avg.

Avg. interestbearing balance	interest rate, %		Avg. interestbearing balance	interest rate, %
		Assets		
516,8	4,06	Net lending to financial institutions*	3.643,7	5,40
38.072,1	6,23	Net lending to customers	16.749,9	6,01
6.309,4	5,29	Certificates and bonds	6.000,9	5,27
		Liabilities		
236,9	2,76	Liabilities to financial institutions	1.514,0	4,06
16.464,8	3,03	Customer deposits	16.464,6	3,04
21.801,7	5,73	Securities issued	4.307,7	5,93
1.520,5	5,66	Senior subordinated bonds	1.520,5	5,66
418,4	7,02	Subordinated loan capital	418,4	7,02

* Including receivables from central banks.

Group 2023			Parent bank 2023	
Avg. interestbearing balance	Avg. interest rate, %		Avg. interestbearing balance	Avg. interest rate, %
		Assets		
473,6	3,31	Net lending to financial institutions*	3.311,7	4,69
37.076,9	5,26	Net lending to customers	16.247,2	5,14
6.055,6	4,52	Certificates and bonds	5.755,8	4,51
		Liabilities		
262,4	3,54	Liabilities to financial institutions	987,8	3,24
15.405,9	2,03	Customer deposits	15.405,5	2,04
22.020,9	4,51	Securities issued	5.175,7	5,04
1.169,8	5,04	Senior subordinated bonds	1.169,8	5,04
417,2	6,08	Subordinated loan capital	417,2	6,08

* Including receivables from central banks.
Average interest rate is measured by the interest income recognized during the year divided by the average balance on a quarterly basis.

NOTE 15 - NET COMMISSION INCOME

Group 2024	Group 2023	Amounts in NOK millions	Parent bank 2024	Parent bank 2023
62,4	58,0	Fees, money-transfer services	62,4	58,0
0,5	0,6	Fees, guarantees	0,5	0,6
29,3	32,3	Other commissions and fees	50,7	54,1
92,2	**90,9**	**Commission income, etc.**	**113,7**	**112,7**
14,2	13,8	Costs, money-transfer services	14,2	13,8
34,7	33,8	Other commissions and fees	4,2	3,3
48,9	**47,6**	**Commission costs, etc.**	**18,4**	**17,1**
43,3	**43,3**	**Net commission income, etc.**	**95,2**	**95,6**

NOTE 16 - DIVIDENDS AND OTHER INCOME FROM SECURITIES WITH VARIABLE YIELDS

Group 2024	Group 2023	Amounts in NOK millions	Parent bank 2024	Parent bank 2023

87,4	45,9	Dividend from equity instruments	87,4	45,9
0,0	0,0	Dividends and Group contributions from subsidiaries	126,5	114,2
87,4	**45,9**	**Dividends and other operating income from securities with variable yields**	**213,8**	**160,1**

NOTE 17 - NET CHANGES IN VALUE AND GAINS/LOSSES ON FINANCIAL INSTRUMENTS

Recognised through profit and loss

Group 2024	Group 2023		Parent bank 2024	Parent bank 2023
		Change in value and gain/loss on financial instruments at fair value through profit and loss		
-9,9	14,2	Change in value of certificates and bonds	-8,1	15,4
-8,4	-16,0	Realised gains/losses on certificates and bonds	-8,4	-16,0
-26,6	6,9	Change in value of equity instruments	-26,6	6,9
3,1	-5,0	Realised gains/losses on equity instruments	3,1	-5,0
9,5	-5,1	Change in value of derivatives, hedge accounting not used	9,5	-5,1
-3,3	-5,1	Realised gains/losses on derivatives, hedge accounting not used	-3,3	-5,1
-2,6	1,3	Change in value of fixed-rate loans	-2,6	1,3
-38,1	**-8,8**	**Net change in value and gain/loss on financial instruments at fair value**	**-36,4**	**-7,5**
-91,9	13,8	Financial derivatives, hedge accounting	-63,4	47,9
91,9	-13,8	Financial liabilities, hedged	63,4	-47,9
0,0	**0,0**	**Total net hedged items***	**0,0**	**0,0**
		Change in value and gains/losses on financial instruments at amortised cost		
-0,6	-2,2	Realised gain/loss on securities issued	1,0	0,8
-0,6	**-2,2**	**Total realised gain/loss on securities issued and senior subordinated bonds at amortised cost**	**1,0**	**0,8**
		Currency trading		
11,6	5,4	- Net translation gain	11,6	5,4
2,6	2,4	- Net transaction gain	2,6	2,4
14,2	**7,8**	**Total net income from currency trading**	**14,2**	**7,8**
-24,5	**-3,3**	**Net change in value and gain/loss on financial instruments**	**-21,2**	**1,1**

* For hedged financial liabilities, the hedged risk is measured at fair value, while the rest of the instrument is measured at amortised cost. Hedging derivatives are measured at fair value. The Group uses hedge accounting on fixed-rate bonds. Borrowing is hedged on a one-to-one basis.

See also Note 16 for dividends and other operating income from securities with variable yields.

Recognised through comprehensive income

Group 2024	Group 2023		Parent bank 2024	Parent bank 2023
		Change in value of financial instruments through OCI		
0,0	0,0	Lending at fair value	0,0	-0,3
0,0	**0,0**	**Net change in value of financial instruments through OCI**	**0,0**	**-0,3**

NOTE 18 - OTHER OPERATING INCOME

Group 2024	Group 2023		Parent bank 2024	Parent bank 2023

0,5	0,5	Rental income, investment properties	0,0	0,0
0,4	0,5	Operating income, real estate	0,0	0,0
0,0	0,0	Profit from sale of real estate	0,0	0,0
1,0	1,0	Other operating income	4,6	4,6
2,0	**2,0**	**Other operating income**	**4,6**	**4,6**

NOTE 19 - SALARIES AND PERSONNEL COSTS

Group 2024	Group 2023		Parent bank 2024	Parent bank 2023
140,7	139,1	Salaries	126,6	125,5
32,8	31,9	National insurance contributions	29,6	29,0
		Pensions		
7,4	6,8	- defined-benefit	6,9	6,3
8,9	8,3	- defined-contribution and similar	8,6	7,8
6,7	8,7	Social security costs	5,9	7,3
196,5	**194,7**	**Total salaries and personnel costs**	**177,5**	**176,0**
186	193	No. of full-time equivalents as at 31.12	170	175
191	198	No. of employees as at 31.12	175	180
180	184	Average no. of full time equivalents	164	167
183	187	Average no. of employees	167	170

For the remuneration of senior executives, see the published report on executive pay for 2024

NOTE 20 - OTHER OPERATING COSTS

Group 2024	Group 2023		Parent bank 2024	Parent bank 2023
61,5	50,7	IT costs	54,6	44,3
17,6	16,9	Other administrative costs	12,1	11,2
10,0	10,7	Operating costs, properties and premises	10,5	11,0
11,1	10,9	Wealth tax	11,1	10,9
35,8	33,1	Other operating costs	21,3	18,6
135,9	**122,3**	**Total other operating costs**	**109,5**	**96,0**

Remuneration to auditor

Group 2024	Group 2023	Figures in NOK thousands	Parent bank 2024	Parent bank 2023
3.655	3.280	Audit	2.563	2.215
133	160	Other certification services	108	124
148	42	Tax consulting	49	42
0	0	Other services	0	0
3.936	**3.482**	**Total remuneration to auditor**	**2.720**	**2.381**

Disclosure of compensation to the auditor includes value-added tax (VAT)

NOTE 21 - TAXES

The tax expense for the year in the income statement consists of payable tax for the income year, any over/under accrued payable tax from previous years, and recognized deferred tax. These are recognized in the income statement as tax expense, except for payable tax and deferred tax on transactions recognized directly in other comprehensive income or equity.

Deferred tax/ tax benefit as of 31.12.24 is recognized with a tax rate of 25% for the parent bank. Deferred tax/tax benefit as of 31.12.24 is recognized in the group with a tax rate in the range of 22-25%. The net deferred tax benefit is fully recognized in the balance sheet as the group expects to be able to utilize negative temporary differences in the future. Deferred tax and deferred tax benefit are not discounted.

Wealth tax is not considered income tax under IAS 12, and the cost is included in the accounting line 'Other operating expenses.' Please refer to note 20.

Group 2024	Group 2023		Parent bank 2024	Parent bank 2023
		Income tax for the year in the income statement		
134,8	115,4	Tax payable on profit for the year	85,0	78,7
8,8	8,2	Recognised deferred tax	4,8	6,5
-0,8	0,1	Excess/deficit tax, previous year	-0,8	-0,1
142,9	**123,7**	**Income tax for the year**	**89,0**	**85,1**
		Tax on other income and costs recognised in comprehensive income		
		Change in net deferred tax		
3,1	-5,1	- Actuarial gains and losses on defined-benefit plans	3,0	-4,8
0,0	0,0	- Lending at fair value	0,0	-0,1
3,1	**-5,1**	**Tax on other income and costs**	**3,0**	**-4,9**
		Change in net deferred tax		
8,8	8,2	Recognised deferred tax in the income statement	4,8	6,5
3,1	-5,1	Recognised deferred tax in comprehensive income	3,0	-4,9
12,0	**3,1**	**Total change in net deferred tax**	**7,8**	**1,6**
		Reconciliation of income tax for the year		
666,2	564,2	Profit before tax	557,6	511,8
161,6	137,7	Tax at the nominal rate of 22–25%	139,4	127,9
-18,0	-14,2	Tax effect of permanent differences	-49,6	-42,7
-0,8	0,1	Excess/deficit tax, previous year	-0,8	-0,1
142,9	**123,7**	**Income tax**	**89,0**	**85,1**
		Tax payable in the balance sheet is as follows:		
134,8	115,4	Tax payable on profit for the year	85,0	78,7
11,3	11,3	Wealth tax for the year	11,3	11,3
146,1	**126,7**	**Total tax payable**	**96,3**	**90,0**

Group		Group		Deferred tax liability/deferred tax asset	Parent bank		Parent bank	
2024	2023	Change 2024	Change 2023		2024	2023	Change 2024	Change 2023
				Positive temporary differences				
34,7	34,3	-0,5	0,8	Property, plant and equipment	7,1	5,0	-2,1	-0,5

12,8	16,0	3,2	4,0	Gains and losses account	1,3	1,6	0,3	0,4
32,6	24,4	-8,2	-24,4	Securities	32,6	24,4	-8,2	-24,4
0,0	0,0	0,0	0,0	Financial derivatives	0,0	0,0	0,0	0,0
0,0	0,0	0,0	0,0	Lending	0,0	0,0	0,0	0,0
286,5	179,9	-106,6	-0,2	Securities issued	145,5	83,5	-62,0	52,1
366,5	254,5	-112,1	-19,8	Total positive temporary differences	186,5	114,4	-72,0	27,7
86,6	**59,8**	**-26,8**	**-3,5**	**Deferred tax**	**46,6**	**28,6**	**-18,0**	**6,9**
				Negative temporary differences				
1,4	1,3	-0,1	-0,2	Finance leases	2,8	2,5	-0,3	-0,4
7,6	5,9	-1,8	3,0	Securities	0,0	0,0	0,0	3,9
219,5	134,5	-85,0	-1,7	Financial derivatives	141,7	84,9	-56,9	36,8
1,9	1,9	0,0	0,2	Other assets	0,0	0,0	0,0	0,0
7,6	5,0	-2,6	1,3	Lending	7,1	4,5	-2,7	1,0
0,0	0,0	0,0	0,0	Securities issued	0,0	0,0	0,0	0,0
14,3	21,1	6,8	-1,9	Other liabilities/other negative differences	5,5	5,3	-0,2	-0,3
39,4	60,2	20,8	-7,5	Pension liability	38,6	57,8	19,2	-6,7
291,7	229,8	-61,9	-6,6	Total negative temporary differences	195,8	154,9	-40,9	34,2
70,1	**55,3**	**-14,8**	**-0,4**	**Deferred tax asset**	**49,0**	**38,7**	**-10,2**	**8,6**
-16,5	**-4,5**	**12,0**	**3,1**	**Net deferred tax (-) / net deferred tax asset (+)**	**2,3**	**10,1**	**7,8**	**1,6**

NOTE 22 - CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

	Fair value through profit and loss			
Group as at 31.12.22	**Mandatory**	**Designated**	**Measured at amortised cost***	**Total**
Cash and receivables from central banks	0,0	0,0	431,1	431,1
Loans to and receivables from financial institutions	0,0	0,0	18,2	18,2
Lending to customers	0,0	396,6	36.606,6	37.003,2
Certificates and bonds	7.756,0	0,0	0,0	7.756,0
Shares and units	877,4	0,0	0,0	877,4
Financial derivatives**	26,2	0,0	0,0	26,2
Total financial assets	**8.659,7**	**396,6**	**37.055,9**	**46.112,2**
Liabilities to financial institutions	0,0	0,0	164,7	164,7
Customer deposits	0,0	0,0	16.882,7	16.882,7
Financial derivatives**	190,9	0,0	0,0	190,9
Securities issued	0,0	0,0	21.715,9	21.715,9
Lease liabilities	0,0	0,0	35,0	35,0
Subordinated senior bonds	0,0	0,0	1.612,8	1.612,8
Subordinated loan capital	0,0	0,0	503,4	503,4
Total financial liabilities	**190,9**	**0,0**	**40.914,3**	**41.105,2**

* Includes hedged liabilities
** Includes derivatives for which hedge accounting is used

	Fair value through profit and loss			
Group as at 31.12.23	**Mandatory**	**Designated**	**Measured at amortised cost***	**Mandatory**
Cash and receivables from central banks	0,0	0,0	417,3	417,3
Loans to and receivables from financial institutions	0,0	0,0	16,5	16,5
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
Shares and units	809,6	0,0	0,0	809,6
Financial derivatives**	67,6	0,0	0,0	67,6
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
Financial derivatives**	147,4	0,0	0,0	147,4
Securities issued	0,0	0,0	21.658,5	21.658,5
Lease liabilities	0,0	0,0	41,5	41,5
Subordinated senior 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

	Fair value through profit and loss				
Parent bank as at 31.12.24	**Mandatory**	**Designated**	**Fair value through comprehensive income**	**Measured at amortised cost***	**Total**
Cash and receivables from central banks	0,0	0,0	0,0	431,1	431,1
Loans to and receivables from financial institutions	0,0	0,0	0,0	2.905,5	2.905,5
Lending to customers	0,0	396,6	2.257,6	12.809,7	15.464,0
Certificates and bonds	7.445,6	0,0	0,0	0,0	7.445,6
Shares and units	877,4	0,0	0,0	0,0	877,4
Financial derivatives**	26,2	0,0	0,0	0,0	26,2
Total financial assets	**8.349,2**	**396,6**	**2.257,6**	**16.146,3**	**27.149,8**
Liabilities to financial institutions	0,0	0,0	0,0	1.045,2	1.045,2
Customer deposits	0,0	0,0	0,0	16.933,1	16.933,1
Financial derivatives**	113,1	0,0	0,0	0,0	113,1
Securities issued	0,0	0,0	0,0	4.199,3	4.199,3
Lease liabilities	0,0	0,0	0,0	66,5	66,5
Subordinated senior bonds	0,0	0,0	0,0	1.612,8	1.612,8
Subordinated loan capital	0,0	0,0	0,0	503,4	503,4
Total financial liabilities	**113,1**	**0,0**	**0,0**	**24.360,3**	**24.473,4**

* Includes hedged liabilities
** Includes derivatives for which hedge accounting is used

Parent bank as at 31.12.23	Fair value through profit and loss		Fair value through comprehensive income	Measured at amortised cost*	Mandatory Totalt
	Mandatory	Designated			
Cash and receivables from central banks	0,0	0,0	0,0	417,3	417,3
Loans to and receivables from financial institutions	0,0	0,0	0,0	3.041,7	3.041,7
Lending to customers	0,0	246,1	2.355,5	14.449,4	17.051,1
Certificates and bonds	5.601,9	0,0	0,0	0,0	5.601,9
Shares and units	809,6	0,0	0,0	0,0	809,6
Financial derivatives**	67,6	0,0	0,0	0,0	67,6
Total financial assets	**6.479,1**	**246,1**	**2.355,5**	**17.908,4**	**26.989,1**
Liabilities to financial institutions	0,0	0,0	0,0	858,2	858,2
Customer deposits	0,0	0,0	0,0	15.909,1	15.909,1
Financial derivatives**	97,7	0,0	0,0	0,0	97,7
Securities issued	0,0	0,0	0,0	5.115,2	5.115,2
Lease liabilities	0,0	0,0	0,0	75,5	75,5
Subordinated senior bonds	0,0	0,0	0,0	1.508,2	1.508,2
Subordinated loan capital	0,0	0,0	0,0	402,4	402,4
Total financial liabilities	**97,7**	**0,0**	**0,0**	**23.868,6**	**23.966,3**

* Includes hedged liabilities
** Includes derivatives for which hedge accounting is used

NOTE 23 - FINANCIAL DERIVATIVES

For the group's fixed-rate bond loans, interest derivatives have been entered into to reduce interest rate risk. For fixed-rate borrowings, the hedge covers changes in value caused by changes in market interest rates. The group does not have bond loans in foreign currency. The hedge relationship is one-to-one, and hedge accounting is applied. No significant ineffectiveness in the hedges has been recognized in 2024 and 2023. The change in value of financial derivatives used for hedge accounting is negative by NOK 91.9 million (positive by NOK 13.8 million in 2023), with a corresponding opposite change in value on the hedged items. For the recognized change in value, gains/losses, please refer to note 17.

In addition, the group has entered into interest and currency derivatives, including those related to fixed-rate loans, bonds, and shares, to reduce other interest rate and currency risks without applying hedge accounting rules.

Group 2024	Contractual totals	Book value of hedged item	Fair value of hedging instruments		Value adjust. ofhedged item
			Assets	Liabilities	Liabilities
Fair value through profit and loss					
Forward exchange contracts	67,1		0,0	5,6	
Interest rate swaps (IRS)	899,0		14,1	0,0	
Total at fair value through profit and loss	**966,1**		**14,1**	**5,6**	
Used for hedge accounting					
Interest rate swaps (IRS)	6.025,0		12,1	185,3	0,0
Securities issued		5.972,6			-224,1
Total used for hedge accounting	**6.025,0**	**5.972,6**	**12,1**	**185,3**	**-224,1**
Total		**5.972,6**	**26,2**	**190,9**	**-224,1**

See Note 17 for the period’s recognised change in hedging instruments and hedged items. The difference between the fair value of hedging instruments and the value adjustment of a hedged item is due to accrued interest. The book value of the hedging instrument includes value adjustments and accrued interest. See Note 35.

Group 2023	Contractual totals	Book value of hedged item	Fair value of hedging instruments Assets	Liabilities	Value adjust. ofhedged item Liabilities
Fair value through profit and loss					
Forward exchange contracts	39,0		0,0	9,0	
Interest rate swaps (IRS)	744,0		11,1	0,0	
Total at fair value through profit and loss	**783,0**		**11,1**	**9,0**	
Used for hedge accounting					
Interest rate swaps (IRS)	6.375,0		56,5	138,4	0,0
Securities issued		6.518,5			-132,2
Total used for hedge accounting	**6.375,0**	**6.518,5**	**56,5**	**138,4**	**-132,2**
Total		**6.518,5**	**67,6**	**147,4**	**-132,2**

See Note 17 for the period's recognised change in hedging instruments and hedged items. The difference between the fair value of hedging instruments and the value adjustment of a hedged item is due to accrued interest. The book value of the hedging instrument includes value adjustments and accrued interest. See Note 35.

Parent bank 2024	Contractual totals	Book value of hedged item	Fair value of hedging instruments Assets	Liabilities	Value adjust. ofhedged item Forpliktelser
Fair value through profit and loss					
Forward exchange contracts	67,1		0,0	5,6	
Interest rate swaps (IRS)	899,0		14,1	0,0	
Total at fair value through profit and loss	**966,1**		**14,1**	**5,6**	
Used for hedge accounting					
Interest rate swaps (IRS)	4.575,0		12,1	107,5	0,0
Securities issued		4.499,3			-149,6
Total used for hedge accounting	**4.575,0**	**4.499,3**	**12,1**	**107,5**	**-149,6**
Total		**4.499,3**	**26,2**	**113,1**	**-149,6**

See Note 17 for the period's recognised change in hedging instruments and hedged items. The difference between the fair value of hedging instruments and the value adjustment of a hedged item is due to accrued interest. The book value of the hedging instrument includes value adjustments and accrued interest. See Note 35.

Parent bank 2023	Contractual totals	Book value of hedged item	Fair value of hedging instruments Assets	Liabilities	Value adjust. ofhedged item Forpliktelser
Fair value through profit and loss					
Forward exchange contracts	42,2		0,0	9,0	
Interest rate swaps (IRS)	744,0		11,1	0,0	
Total at fair value through profit and loss	**786,2**		**11,1**	**9,0**	
Used for hedge accounting					
Interest rate swaps (IRS)	4.925,0		56,5	88,7	0,0
Securities issued		4.915,3			-86,2
Total used for hedge accounting	**4.925,0**	**4.915,3**	**56,5**	**88,7**	**-86,2**
Total		**4.915,3**	**67,6**	**97,7**	**-86,2**

See Note 17 for the period's recognised change in hedging instruments and hedged items. The difference between the fair value of hedging instruments and the value adjustment of a hedged item is due to accrued interest. The book value of the hedging instrument includes value adjustments and accrued interest. See Note 35.

Derivatives allocated by maturity – Group 2024

	Under 1 month	1-3 months	3-12 months	1-5 years	over 5 years	Total
Fair value through profit and loss						
Currency forwards	0,0	0,0	67,1	0,0	0,0	67,1
Interest rate swaps	0,0	65,0	75,0	680,0	79,0	899,0
Total fair value recognized in the income statement	**0,0**	**65,0**	**142,1**	**680,0**	**79,0**	**966,1**
Financial derivatives used for hedge accounting						
Interest rate swaps	0,0	0,0	525,0	3.950,0	1.550,0	6.025,0
Total used for hedge accounting	**0,0**	**0,0**	**525,0**	**3.950,0**	**1.550,0**	**6.025,0**
Total	**0,0**	**65,0**	**667,1**	**4.630,0**	**1.629,0**	**6.991,1**

Derivatives allocated by maturity – Group 2023

	Under 1 month	1-3 months	3-12 months	1-5 years	over 5 years	Total
Fair value through profit and loss						
Currency forwards	0,0	0,0	39,0	0,0	0,0	39,0
Interest rate swaps	0,0	0,0	90,0	470,0	184,0	744,0
Total fair value recognized in the income statement	**0,0**	**0,0**	**129,0**	**470,0**	**184,0**	**783,0**
Financial derivatives used for hedge accounting						
Interest rate swaps	200,0	1.000,0	0,0	2.725,0	2.450,0	6.375,0
Total used for hedge accounting	**200,0**	**1.000,0**	**0,0**	**2.725,0**	**2.450,0**	**6.375,0**
Total	**200,0**	**1.000,0**	**129,0**	**3.195,0**	**2.634,0**	**7.158,0**

Derivatives allocated by maturity – Parent bank 2024

	Under 1 month	1-3 months	3-12 months	1-5 years	over 5 years	Total
Fair value through profit and loss						
Currency forwards	0,0	0,0	67,1	0,0	0,0	67,1
Interest rate swaps	0,0	65,0	75,0	680,0	79,0	899,0
Total fair value recognized in the income statement	**0,0**	**65,0**	**142,1**	**680,0**	**79,0**	**966,1**
Financial derivatives used for hedge accounting						
Interest rate swaps	0,0	0,0	525,0	3.200,0	850,0	4.575,0
Total used for hedge accounting	**0,0**	**0,0**	**525,0**	**3.200,0**	**850,0**	**4.575,0**
Total	**0,0**	**65,0**	**667,1**	**3.880,0**	**929,0**	**5.541,1**

Derivatives allocated by maturity – Parent bank 2024

	Under 1 month	1-3 months	3-12 months	1-5 years	over 5 years	Total
Fair value through profit and loss						
Currency forwards	0,0	0,0	42,2	0,0	0,0	42,2
Interest rate swaps	0,0	0,0	90,0	470,0	184,0	744,0
Total fair value recognized in the income statement	**0,0**	**0,0**	**132,2**	**470,0**	**184,0**	**786,2**
Financial derivatives used for hedge accounting						
Interest rate swaps	200,0	1.000,0	0,0	1.975,0	1.750,0	4.925,0
Total used for hedge accounting	**200,0**	**1.000,0**	**0,0**	**1.975,0**	**1.750,0**	**4.925,0**
Total	**200,0**	**1.000,0**	**132,2**	**2.445,0**	**1.934,0**	**5.711,2**

NOTE 24 - FINANCIAL DERIVATIVES – OFFSETTING

The Group’s offsetting rights adhere to the general rules in Norwegian law. Standardised and mainly bilateral ISDA agreements have been entered into with financial institutions, which give the parties netting rights in the event of any default. In addition, credit support annexes (CSA) have been entered into for the provision of collateral. In accordance with the disclosure requirements for offsetting, no offset amounts are recognised on the balance sheet.

31.12.24 - Group	Gross amount	Offset	Capitalised amount	Amount subject to net settlement	Exchanged collateral security	Amount in accordance with any net settlement
Financial derivatives, assets	26,2	0,0	26,2	-26,2	0,0	0,0
Financial derivatives, liabilities	190,9	0,0	190,9	-26,2	-86,6	78,1

31.12.23 - Group	Gross amount	Offset	Capitalised amount	Amount subject to net settlement	Exchanged collateral security	Amount in accordance with any net settlement
Financial derivatives, assets	67,6	0,0	67,6	-43,3	-18,8	5,6
Financial derivatives,	147,4	0,0	147,4	-43,3	-44,8	59,3

liabilities

31.12.24 - Parent bank	Gross amount	Offset	Capitalised amount	Amount subject to net settlement	Exchanged collateral security	Amount in accordance with any net settlement
Financial derivatives, assets	26,2	0,0	26,2	-26,2	0,0	0,0
Financial derivatives, liabilities	113,1	0,0	113,1	-26,2	-86,6	0,3

31.12.23 - Parent bank	Gross amount	Offset	Capitalised amount	Amount subject to net settlement	Exchanged collateral security	Amount in accordance with any net settlement
Financial derivatives, assets	67,6	0,0	67,6	-43,3	-18,8	5,6
Financial derivatives, liabilities	97,7	0,0	97,7	-43,3	-44,8	9,7

NOTE 25 - FINANCIAL INSTRUMENTS AT FAIR VALUE

The Bank's financial instruments in the fair value category consist of fixed-rate loans, certificates and bonds, shares and derivatives.

Valuation of financial assets and liabilities at fair value

General information
The bank classifies fair value measurements using a hierarchy involving the following levels:
Level 1: Observable trading 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 to and receivables from customers
Loans with fixed interest rates are valued at fair value on the balance sheet. The valuation is based on contracted cash flows discounted by the swap interest rate to which a margin is added.

Certificates and bonds
The Bank's portfolio of certificates and bonds is valued based on prices obtained from Nordic Bond Pricing. The prices from Nordic Bond Pricing are based on reported spreads from the brokers active in the Norwegian market.

Certificates or bonds not priced by Nordic Bond Pricing are valued on the basis of trades and observable credit spreads in the market. If this has not been possible, price estimates or credit spread assessments have been used based on other certificates and bonds with equivalent characteristics and maturities.

The valuation of the Bank's bond portfolio includes an assessment of potential imbalance in the market and whether there are different motives behind the transactions that have taken place. Assessments are made of whether the prices from Nordic Bond Pricing appear correct.

The Bank believes that the valuation estimates used are within reasonable intervals for fair value and that the credit and liquidity risk development has been considered in the valuation wherever necessary. In the opinion of the Bank, the prices used represent the best estimate of the securities' fair value. All of the Bank's certificate and bond holdings are placed in the pricing hierarchy's level 2. This is due to the fact that there is insufficient trading in any of the listed instruments for a market price to be read at any given time.

Shares and units
If there are no listed prices in an active market, alternative valuation techniques are used. Such techniques include the use of the arm's length price of recent market transactions, comparison with the market value of corresponding financial instruments, and the discounting of expected future cash flows. As a calibration test of the feasibility of the estimate of fair value, multiplier models such as the price/book model and the price/profit model are used to check that the valuation models correlate with market data.
Listed shares that are traded daily are classified as level 1. Level 2 consists of shares where valuation is based on observable market

data. Level 3 consists of shares in local companies and other unlisted undertakings for which alternative valuation techniques are used to determine fair value.

Financial derivatives
Sparebanken Øst only has derivatives where the fair value is based on observable yield curves and exchange rates and which are therefore placed at level 2 of the pricing hierarchy.

31.12.24 - Group	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets and liabilities measured at fair value				
Lending to customers	0,0	0,0	396,6	396,6
Certificates and bonds	0,0	7.756,0	0,0	7.756,0
Shares and units	92,9	2,5	782,0	877,4
Financial derivatives	0,0	26,2	0,0	26,2
Total assets at fair value	**92,9**	**7.784,8**	**1.178,6**	**9.056,3**
Financial derivatives	0,0	190,9	0,0	190,9
Total liabilities at fair value	**0,0**	**190,9**	**0,0**	**190,9**

Movement in level 3	**Fixed interest loans**	**Shares and units**	**Total**
Balance sheet as at 01.01.24	246,1	731,1	977,2
Net realised gains	0,0	0,0	0,0
Additions	216,0	83,4	299,3
Disposals	62,9	3,9	66,7
Changes in value	-2,6	-28,6	-31,2
Transferred from levels 1 and 2	0,0	0,0	0,0
Balance sheet as at 31.12.24	**396,6**	**782,0**	**1.178,6**

Shares and units
The shares in Frende Holding AS are valued at NOK 543.6 million at the end of 2024. The equity stake is valued based on observed transaction prices. Eksportfinans ASA is valued at NOK 162.1 million at the end of 2024. The equity stake is valued based on a price/book valuation, taking into account the business's risk and uncertainty regarding expected cash flow in connection with performance development and liquidation.

31.12.23 - Group	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets and liabilities measured at 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
Shares and units	74,4	4,1	731,1	809,6
Financial derivatives	0,0	67,6	0,0	67,6
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**

Movement in level 3	**Fixed interest loans**	**Shares and units**	**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 as at 31.12.23	**246,1**	**731,1**	**977,2**

31.12.2024 - parent bank	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value				
Lending to customers*	0,0	0,0	2.654,3	2.654,3
Certificates and bonds	0,0	7.445,6	0,0	7.445,6
Shares and units	92,9	2,5	782,0	877,4
Financial derivatives	0,0	26,2	0,0	26,2
Total assets at fair value	**92,9**	**7.474,3**	**3.436,3**	**11.003,5**
Financial derivatives	0,0	113,1	0,0	113,1
Total liabilities at fair value	**0,0**	**113,1**	**0,0**	**113,1**

* In the parent bank, loans at fair value with a change in value through comprehensive income are included.

31.12.2023 - parent bank	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at 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
Shares and units	74,4	4,1	731,1	809,6
Financial derivatives	0,0	67,6	0,0	67,6
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**

* In the parent bank, loans at fair value with a change in value through comprehensive income are included.ss

NOTE 26 - FINANCIAL INSTRUMENTS AT AMORTISED COST

Lending
The Group’s variable rate loan portfolios are measured at amortised cost. The fair value of variable rate loans is subject to the impact of changing interest rates and credit margins, but can be re-priced on an ongoing basis with a short deadline. The Norwegian Act on Financial Contracts and Financial Assignments usually permits re-pricing with eight weeks’ notice. The Bank’s assessment of the best estimates for the lending portfolios, exclusive of loan loss provisions in Stage 1, results in a good approximation of fair value.

Securities issued, senior subordinated bonds and subordinated loan capital
Securities issued, senior subordinated bonds and subordinated loan capital are placed in level 2 of the pricing hierarchy because the turnover is not large enough in any of the loans to be able to read off a market price at any given time. The Group uses rates and credit spread assessments from Nordic Bond Pricing and makes reasonability assessments of the rates used based on actual transactions and spreads.

Other financial assets and liabilities
Other financial assets and liabilities are measured at amortised cost. These instruments assume that the capitalised amount provides a good approximation of fair value. This includes the accounting lines of cash and receivables at central banks, loans to and receivables from financial institutions, debt to financial institutions, deposits from and debts to customers, as well as lease liabilities.

31.12.24 - Group	Fair value	Book value
Assets and liabilities measured at amortised cost		
Cash and receivables from central banks	431,1	431,1
Loans to and receivables from financial institutions	18,2	18,2
Lending to customers	36.618,0	36.606,6
Total assets at amortised cost	**37.067,3**	**37.055,9**
Liabilities to financial institutions	164,7	164,7
Customer deposits	16.882,7	16.882,7
Securities issued	21.816,8	21.715,9

Lease liabilities	35,0	35,0
Subordinated senior bonds	1.627,4	1.612,8
Subordinated loan capital	514,5	503,4
Total liabilities at amortised cost	**41.041,0**	**40.914,3**

31.12.23 - Group	**Fair value**	**Book value**
Assets and liabilities measured at amortised cost		
Cash and receivables from central banks	417,3	417,3
Loans to and receivables from financial institutions	16,5	16,5
Lending to customers	37.642,7	37.631,0
Total assets at amortised cost	**38.076,5**	**38.064,8**
Liabilities to financial institutions	219,6	219,6
Customer deposits	15.860,8	15.860,8
Securities issued	21.695,2	21.658,5
Lease liabilities	41,5	41,5
Subordinated senior bonds	1.508,7	1.508,2
Subordinated loan capital	409,9	402,4
Total liabilities at amortised cost	**39.735,7**	**39.690,9**

31.12.24 - Parent bank	**Fair value**	**Book value**
Assets and liabilities measured at amortised cost		
Cash and receivables from central banks	431,1	431,1
Loans to and receivables from financial institutions	2.905,5	2.905,5
Lending to customers	12.815,2	12.809,7
Total assets at amortised cost	**16.151,8**	**16.146,3**
Liabilities to financial institutions	1.045,2	1.045,2
Customer deposits	16.933,1	16.933,1
Securities issued	4.262,0	4.199,3
Lease liabilities	66,5	66,5
Subordinated senior bonds	1.627,4	1.612,8
Subordinated loan capital	514,5	503,4
Total liabilities at amortised cost	**24.448,8**	**24.360,3**

31.12.23 - Parent bank	**Virkelig verdi**	**Bokført verdi**
Assets and liabilities measured at amortised cost		
Cash and receivables from central banks	417,3	417,3
Loans to and receivables from financial institutions	3.041,7	3.041,7
Lending to customers	14.455,0	14.449,4
Total assets at amortised cost	**17.913,9**	**17.908,4**
Liabilities to financial institutions	858,2	858,2
Customer deposits	15.909,1	15.909,1
Securities issued	5.155,1	5.115,2
Lease liabilities	75,5	75,5
Subordinated senior bonds	1.508,7	1.508,2
Subordinated loan capital	409,9	402,4
Total liabilities at amortised cost	**23.916,5**	**23.868,6**

NOTE 27 - LOANS TO AND RECEIVABLES FROM CUSTOMERS IN RELATION TO FINANCE LEASES

The Group has finance leases with customers. The leases are largely associated with the leasing of cars and other vehicles, industrial equipment and machinery. The Group has not assumed the risk relating to residual values.

Group 2024	Group 2023		Parent bank 2024	Parent bank 2023
3,8	5,4	Within 1 year	0,0	0,0
15,4	15,2	Between 1 and 5 years	0,0	0,0
0,0	0,0	After 5 years	0,0	0,0
19,1	**20,6**	**Gross receivables from finance leases**	**0,0**	**0,0**
2,4	2,3	Non-accrued income from finance leases		
16,8	**18,3**	**Net investments associated with finance leases**	**0,0**	**0,0**
ss				
3,6	5,2	Within 1 year	0,0	0,0
13,2	13,2	Between 1 and 5 years	0,0	0,0
0,0	0,0	After 5 years	0,0	0,0
16,8	**18,3**	**Net investments associated with finance leases**	**0,0**	**0,0**
0,0	0,0	Accumulated loan loss provisions for outstanding minimum lease amounts	0,0	0,0

NOTE 28 - CERTIFICATES AND BONDS

All certificates and bonds in 2024 and 2023 are measured at fair value through profit and loss.

Certificates and bonds by issuing sector, Group	**Nominal value 2024**	**Fair value 2024**	**Nominal value 2023**	**Fair value 2023**
State and state-guaranteed	1.495,0	1.519,3	1.395,0	1.428,4
Other public issuers	584,6	588,0	0,0	0,0
Covered bonds	5.592,0	5.646,6	4.442,0	4.483,5
Financial institutions	2,0	2,1	2,0	2,1
Non-financial enterprises	0,0	0,0	0,0	0,0
Total certificates and bonds	**7.673,6**	**7.756,0**	**5.839,0**	**5.914,0**

Certificates and bonds by issuing sector, parent bank	**Nominal value 2024**	**Fair value 2024**	**Nominal value 2023**	**Fair value 2023**
State and state-guaranteed	1.390,0	1.411,2	1.290,0	1.319,0
Other public issuers	584,6	588,0	0,0	0,0
Covered bonds	5.392,0	5.444,3	4.242,0	4.280,8
Financial institutions	2,0	2,1	2,0	2,1
Non-financial enterprises	0,0	0,0	0,0	0,0
Total certificates and bonds	**7.368,6**	**7.445,6**	**5.534,0**	**5.601,9**

The bank pledges bonds as collateral for borrowing access at Norges Bank. At the end of 2024, the total collateral pledged at Norges Bank had a nominal value of NOK 1,040.0 million, compared to NOK 1,160.0 million in 2023.

Certificates and bonds by maturity as at 31.12.24 - Group

	Accrued interest	Up to 6 months	6–12 months	1–5 years	5–10 years	Total
State and state-guaranteed	17,1	174,7	80,8	1.246,7	0,0	1.519,3
Other public issuers	3,7	284,6	0,0	299,8	0,0	588,0
Covered bonds	35,2	441,5	136,7	4.984,6	48,5	5.646,6
Financial institutions	0,0	0,0	0,0	2,1	0,0	2,1
Non-financial enterprises	0,0	0,0	0,0	0,0	0,0	0,0
Total certificates and bonds	**56,0**	**900,8**	**217,5**	**6.533,2**	**48,5**	**7.756,0**

Certificates and bonds by maturity as at 31.12.24 - parent bank

	Accrued interest	Up to 6 months	6–12 months	1–5 years	5–10 years	Total
State and state-guaranteed	15,7	149,7	50,5	1.195,3	0,0	1.411,2
Other public issuers	3,7	284,6	0,0	299,8	0,0	588,0
Covered bonds	34,7	441,5	136,7	4.782,8	48,5	5.444,3
Financial institutions	0,0	0,0	0,0	2,1	0,0	2,1
Non-financial enterprises	0,0	0,0	0,0	0,0	0,0	0,0
Total certificates and bonds	**54,1**	**875,8**	**187,1**	**6.280,0**	**48,5**	**7.445,6**

Certificates and bonds by maturity as at 31.12.23 - Group

	Accrued interest	Up to 6 months	6–12 months	1–5 years	5–10 years	Total
State and state-guaranteed	14,1	49,3	0,0	1.261,5	103,6	1.428,4
Other public issuers	0,0	0,0	0,0	0,0	0,0	0,0
Covered bonds	22,3	290,4	390,7	3.729,9	50,2	4.483,5
Financial institutions	0,0	0,0	0,0	0,0	2,1	2,1
Non-financial enterprises	0,0	0,0	0,0	0,0	0,0	0,0
Total certificates and bonds	**36,3**	**339,7**	**390,7**	**4.991,4**	**155,9**	**5.914,0**

Certificates and bonds by maturity as at 31.12.23 - parent bank

	Accrued interest	Up to 6 months	6–12 months	1–5 years	5–10 years	Total
State and state-guaranteed	12,6	49,3	0,0	1.153,4	103,6	1.319,0
Other public issuers	0,0	0,0	0,0	0,0	0,0	0,0
Covered bonds	21,8	290,4	390,7	3.527,7	50,2	4.280,8
Financial institutions	0,0	0,0	0,0	0,0	2,1	2,1
Non-financial enterprises	0,0	0,0	0,0	0,0	0,0	0,0
Total certificates and bonds	**34,5**	**339,7**	**390,7**	**4.681,1**	**155,9**	**5.601,9**

Modified duration

Group 2024	Group 2023	Modified duration	Parent bank 2024	Parent bank 2023
0,60	0,68	State and state-guaranteed	0,64	0,73
0,13	0,00	Other public issuers	0,13	0,00
0,16	0,20	Covered bonds	0,16	0,20
0,16	0,17	Financial institutions	0,16	0,17
0,00	0,00	Non-financial enterprises	0,00	0,00
0,24	**0,32**	**Total duration**	**0,25**	**0,33**

Modified duration is used as a measure of interest rate sensitivity for issuer sectors and categories.

NOTE 29 - SHARES AND EQUITY CERTIFICATES

Specification of shares and equity certificates as at 31.12.24

	No. of shares	Stake in %	Book cost	Fair value
Fair value through profit and loss				
Bankenes ID-tjeneste AS	7.700	7,70	0,0	0,0
Eksportfinans ASA	12.787	4,85	139,4	162,1
Frende Holding AS	993.874	14,70	206,5	543,6
Kraft Bank ASA	2.875.000	6,85	23,0	25,0
Kredittforeningen for Sparebanker	2.760	5,52	2,8	0,7
Norne Securities AS	396.735	2,15	1,3	3,2
Norsk Gjeldsinformasjon AS	4.322	0,88	0,3	0,3
Norwegian Block Exchange AS (NBX)	6.833.964	4,99	15,2	2,5
Spama AS	302	0,96	0,0	0,0
Vipps Holding AS	11.838	0,72	64,4	64,4
Visa C-aksjer	4.739	0,00	2,0	67,9
VN Norge Forvaltning AS	1	3,13	0,9	4,1
VN Norge AS	6,4 billioner	0,64	0,0	3,0
Other shares			0,5	0,5
Total shares and Equity certificates			**456,4**	**877,4**

NOTE 30 - OWNERSHIP INTERESTS IN GROUP COMPANIES

Datterselskap	Acquisition date	Registered office	Stake	Share of votes
Sparebanken Øst Eiendom AS	29.12.88	Drammen	100 %	100 %
AS Financiering	01.10.91	Oslo	100 %	100 %
Øst Prosjekt AS	22.12.97	Drammen	100 %	100 %
Sparebanken Øst Boligkreditt AS	14.04.09	Drammen	100 %	100 %
Øst Inkasso AS	18.04.16	Drammen	100 %	100 %
Hawø Eiendom AS *	01.07.11	Drammen	100 %	100 %
Stasjonsgaten 14 AS *	29.08.12	Drammen	100 %	100 %
Borreveien 44 AS**	28.10.14	Drammen	100 %	100 %
Jon Smørs vei 7 AS**	05.02.16	Drammen	100 %	100 %
Slagenveien 16 AS**	10.03.20	Drammen	100 %	100 %

* 100 per cent owned subsidiary of Sparebanken Øst Eiendom AS.
** 100 per cent owned subsidiary of Øst Prosjekt AS.

NOTE 31 - INTANGIBLE ASSETS

Intangible assets as at 31.12.24

	Group	Parent bank
Acquisition cost as at 1 Jan	131,7	98,5
Additions	11,3	9,9
Disposals	0,4	0,4
Acquisition cost as at 31 Dec	**142,7**	**108,0**
Total ordinary depreciation and write-downs	108,4	82,5
Book value as at 31.12.	**34,3**	**25,6**
Ordinary depreciation for the year	10,0	6,6
Write-downs for the year	0,0	0,0
Economic life	2-10 år	2-10 år
Depreciation plan	Lineær	Lineær

Intangible assets as at 31.12.23

	Konsern	Morbank
Acquisition cost as at 1 Jan	124,1	92,6
Additions	10,2	8,6
Disposals	2,7	2,7
Acquisition cost as at 31 Dec	**131,7**	**98,5**
Total ordinary depreciation and write-downs	98,7	76,2
Book value as at 31.12.	**33,0**	**22,3**
Ordinary depreciation for the year	11,2	7,9
Write-downs for the year	0,0	0,0
Economic life	2-10 år	2-10 år
Depreciation plan	Lineær	Lineær

NOTE 32 - PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND LEASE RIGHTS

Property, plant and equipment as at Group – 31.12.24

	Machinery/equipment /vehicles	Properties	Investment properties	Lease rights
Acquisition cost as at 1 Jan	78,1	146,6	16,7	71,7
Additions	7,5	11,9	0,0	3,0
Disposals	1,1	0,5	0,0	4,4
Acquisition cost as at 31 Dec	**84,5**	**158,0**	**16,7**	**70,4**
Total ordinary depreciation and write-downs	56,7	51,3	3,9	36,9
Book value as at 31.12.	**27,8**	**106,8**	**12,8**	**33,5**
Ordinary depreciation for the year	4,6	2,6	0,4	9,7
Year’s write-downs	0,0	0,0	0,0	0,0
Economic life	2-10 years	10-100 years	10-100 years	2-12 years
Depreciation plan	Straight line	Straight line	Straight line	Straight line

Property, plant and equipment as at Parent bank 31.12.24

	Machinery/equipment /vehicles	Properties	Investment properties	Lease rights
Acquisition cost as at 1 Jan	64,7	63,7	0,0	119,3
Additions	6,4	9,8	0,0	4,4
Disposals	1,1	0,5	0,0	4,4
Acquisition cost as at 31 Dec	**70,0**	**73,0**	**0,0**	**119,4**
Total ordinary depreciation and write-downs	44,1	15,1	0,0	55,6
Book value as at 31.12.	**25,9**	**58,0**	**0,0**	**63,7**
Ordinary depreciation for the year	4,4	1,2	0,0	13,7
Year’s write-downs	0,0	0,0	0,0	0,0
Economic life	2-10 years	10-100 years	10-100 years	2-12 years
Depreciation plan	Straight line	Straight line	Straight line	Straight line

Property, plant and equipment as at Group 31.12.23

	Machinery/equipment /vehicles	Properties	Investment properties	Lease rights
Acquisition cost as at 1 Jan	83,0	146,5	14,8	68,2
Additions	3,7	6,8	1,9	9,0
Disposals	3,4	0,0	0,0	5,7
Acquisition cost as at 31 Dec	**83,3**	**153,3**	**16,7**	**71,5**
Total ordinary depreciation and write-downs	60,0	53,8	3,7	31,3
Book value as at 31.12.	**23,3**	**99,4**	**13,1**	**40,2**
Ordinary depreciation for the year	4,7	2,8	0,3	10,0
Year’s write-downs	0,0	0,0	0,0	0,0
Economic life	2-10 years	10-100 years	10-100 years	2-12 years
Depreciation plan	Straight line	Straight line	Straight line	Straight line

Property, plant and equipment as at parent bank 31.12.23

	Machinery/equipment /vehicles	Properties	Investment properties	Lease rights
Acquisition cost as at 1 Jan	65,3	57,3	0,0	107,8
Additions	3,4	5,2	0,0	17,2
Disposals	2,9	0,0	0,0	5,7
Acquisition cost as at 31 Dec	**65,8**	**62,5**	**0,0**	**119,3**
Total ordinary depreciation and write-downs	35,1	19,6	0,0	46,3
Book value as at 31.12.	**30,7**	**43,0**	**0,0**	**73,0**
Ordinary depreciation for the year	4,5	1,5	0,0	13,7
Year’s write-downs	0,0	0,0	0,0	0,0
Economic life	2-10 years	10-100 years	10-100 years	2-12 years
Depreciation plan	Straight line	Straight line	Straight line	Straight line

Valuation of investment properties

The Group uses the following valuation hierarchy:

Level 1: Observable market value in active market.
Level 2: Valuation techniques based on observable market data, external valuations.
Level 3: Valuation techniques not based on observable market data.

All the Group's investment properties are categorised in level 3.

GROUP	Fair value	Book value
Investment properties at fair value as at 31.12.24	17,4	12,8
Investment properties at fair value as at 31.12.23	17,4	13,1

The fair value of the investment properties is based on assessments of market rents and estimated sales value. The properties are located in Drammen and Tønsberg. No changes have been made to the valuation techniques compared with the previous year.

For leasing income and operating costs on investment properties see also Note 18 – Other operating income and Note 20 – Other operating costs.

Real estate for own activities 2024

Group Area – m2		Book value		Group Area – m2		Book value
Own use	Leasing	31.12.24*	Commercial buildings	Own use	Leasing	31.12.24*
3.143	0	49,8	Drammen	2.087	0	35,9
4.185	791	32,2	Øvre Eiker	0	0	0,0
210	102	9,7	Tønsberg	0	0	0,0
7.538	**893**	**91,6**	**Total commercial buildings**	**2.087**	**0**	**35,9**

* Total book value on the balance sheet also includes properties that are not commercial buildings.

Liabilities
There are no liabilities relating to projects or purchases of property, plant and equipment.

Real estate for own activities 2023

Group Area – m2		Book value		Group Area – m2		Book value
Own use	Leasing	31.12.23*	Commercial buildings	Own use	Leasing	31.12.23*
3.143	0	49,8	Drammen	2.087	0	36,1
4.364	791	31,4	Øvre Eiker	0	0	0,0
210	102	9,9	Tønsberg	0	0	0,0
7.717	**893**	**91,1**	**Total commercial buildings**	**2.087**	**0**	**36,1**

* Total book value on the balance sheet also includes properties that are not commercial buildings.

NOTE 33 - OTHER ASSETS

Group 31.12.2024	Group 31.12.2023		Parent bank 31.12.2024	Parent bank 31.12.2023
1,1	0,0	Earned but not received income	2,4	2,3
5,2	16,5	Other prepaid non-accrued costs	4,9	16,3
86,6	44,8	Exchange of collateral	86,6	44,8
5,3	6,2	Other assets	2,3	1,4
98,3	**67,4**	**Total other assets**	**96,1**	**64,7**

NOTE 34 - LIABILITIES TO FINANCIAL INSTITUTIONS

Group 31.12.2024	Group 31.12.2023		Parent bank 31.12.2024	Parent bank 31.12.2023
0,0	0,0	Loans and deposits from financial institutions without agreed term or notice period	879,9	637,9
164,7	219,6	Loans and deposits from financial institutions without agreed term or notice period	165,3	220,3
164,7	**219,6**	**Liabilities to financial institutions**	**1.045,2**	**858,2**

Loans from credit institutions by maturity – Group

	Loans from financial institutions
2025	54,5
2026	54,5
2027	54,5
2028	0,0
2029	0,0
2030	0,0
2031	0,0
2032	0,0
2033 and after	0,0
Gross borrowing	163,6
Accrued interest	1,1
Direct costs and premium/discount	0,0
Value adjustments	0,0
Net borrowing	164,7

Call/put loans by call/put date.

Loans from credit institutions by maturity – parent bank

	Loans from financial institutions
2025	935,1
2026	54,5
2027	54,5
2028	0,0
2029	0,0
2030	0,0
2031	0,0
2032	0,0
2033 and after	0,0
Gross borrowing	1.044,2
Accrued interest	1,1
Direct costs and premium/discount	0,0
Value adjustments	0,0
Net borrowing	1.045,2

Call/put loans by call/put date.

NOTE 35 - SECURITIES ISSUED

Change in securities issued 2024

	31.12.23	Issued	Due/redeemed	Other changes incl. currency	31.12.24
Ordinary senior bonds, nominal value	5.124,9	860,2	1.699,0	-11,1	4.275,0
Covered bonds, nominal value	16.522,3	2.997,3	2.010,6	-15,7	17.493,3
Value adjustments	-132,2	0,0	0,0	-91,9	-224,1
Accrued interest	143,5	0,0	0,0	28,2	171,7
Total securities issued	**21.658,5**	**3.857,5**	**3.709,6**	**-90,5**	**21.715,9**
Of which green bonds, nominal value	2.497,1	0,0	0,0	0,0	2.497,1

Endring verdipapirgjeld 2024 - morbank

	31.12.23	Issued	Due/redeemed	Other changes incl. currency	31.12.24
Ordinary senior bonds, nominal value	5.124,9	860,2	1.699,0	-11,1	4.275,0
Value adjustments	-86,2	0,0	0,0	-63,4	-149,6
Accrued interest	76,5	0,0	0,0	-2,6	73,9
Sum verdipapirgjeld	**5.115,2**	**860,2**	**1.699,0**	**-77,1**	**4.199,3**

Endring verdipapirgjeld 2023 - konsern

	31.12.22	Issued	Due/redeemed	Other changes incl. currency	31.12.23
Ordinary senior bonds, nominal value	5.179,8	995,0	1.054,1	4,2	5.124,9
Covered bonds, nominal value	16.234,7	2.766,8	2.494,2	14,9	16.522,3
Value adjustments	-146,1	0,0	0,0	13,8	-132,2
Accrued interest	107,2	0,0	0,0	36,3	143,5
Total securities issued	**21.375,7**	**3.761,8**	**3.548,3**	**69,2**	**21.658,5**
Of which green bonds, nominal value	0,0	2.497,1	0,0	0,0	2.497,1

Securities issued by maturity 2023 - Parent bank

	31.12.22	Issued	Due/redeemed	Other changes incl. currency	31.12.23
Ordinary senior bonds, nominal value	5.179,8	995,0	1.054,1	4,2	5.124,9
Value adjustments	-134,1	0,0	0,0	47,9	-86,2
Accrued interest	65,0	0,0	0,0	11,5	76,5
Total securities issued	**5.110,7**	**995,0**	**1.054,1**	**63,6**	**5.115,2**

Group	Outstanding Volum 31.12.24*	Av erage Balance 2024	Weighted Effective interest rate 2024	Outstanding Volume 31.12.23*	Av erage Balance 2023	Weighted effective interest rate 2023
Bond loan	21.768,3	21.723,5	5,35 %	21.647,2	22.029,7	4,51 %
Securities debt	**21.768,3**	**21.723,5**	**5,35 %**	**21.647,2**	**22.029,7**	**4,51 %**

*Measured at amortized cost excluding accrued interest as of the balance sheet date

Parent bank	Outstanding Volum 31.12.24*	Av erage Balance 2024	Weighted Effective interest rate 2024	Outstanding Volume 31.12.23*	Av erage Balance 2023	Weighted effective interest rate 2023
Bond loan	4.275,0	4.347,6	5,87 %	5.124,9	5.314,3	4,90 %
Securities debt	**4.275,0**	**4.347,6**	**5,87 %**	**5.124,9**	**5.314,3**	**4,90 %**

*Measured at amortized cost excluding accrued interest as of the balance sheet date

Securities debt allocated by maturity date – Group

	Senior bonds	Covered bonds	Total
2025	525,0	2.500,0	3.025,0
2026	750,0	4.750,0	5.500,0
2027	0,0	4.000,0	4.000,0
2028	400,0	2.500,0	2.900,0
2029	1.750,0	3.000,0	4.750,0
2030	0,0	700,0	700,0
2031	0,0	0,0	0,0
2032	0,0	0,0	0,0
2033 and after	850,0	0,0	850,0
Gross borrowing	4.275,0	17.450,0	21.725,0
Accrued interest	73,9	97,8	171,7
Direct costs and premium/discount	0,0	43,3	43,3
Value adjustments	-149,6	-74,5	-224,1
Net borrowing	**4.199,3**	**17.516,6**	**21.715,9**

Call/put loans by call/put date.

Securities issued by maturity – Parent bank

	Senior bonds
2025	525,0
2026	750,0
2027	0,0
2028	400,0
2029	1.750,0
2030	0,0
2031	0,0
2032	0,0
2033 and after	850,0
Gross borrowing	4.275,0
Accrued interest	73,9
Direct costs and premium/discount	0,0
Value adjustments	-149,6
Net borrowing	**4.199,3**

Call/put loans by call/put date.

NOTE 36 - OTHER LIABILITIES

Group 31.12.2024	Group 31.12.2023		Parent bank 31.12.2024	Parent bank 31.12.2023
0,4	0,0	Liabilities related to payment obligations	0,4	0,0
20,6	317,7	Provisions for social dividends	20,6	317,7
10,9	16,5	Accounts payable	7,1	14,0
0,0	18,8	Exchanged collateral	0,0	18,8
13,2	34,4	Other liabilities	20,0	40,8
50,1	46,4	Accrued expenses and deferred income	41,1	36,2
95,4	**433,8**	**Other liabilities**	**89,2**	**427,6**

*In 2024, NOK 577.0 million has been distributed in charitable donations, of which NOK 540.4 million was allocated to Øst Allmennyttig Gavestiftelse.

NOTE 37 - PENSION LIABILITIES

Mandatory Occupational Pensions (OTP) are obligatory, and the Group has schemes that satisfy these requirements. Sparebanken Øst has both defined-contribution and defined-benefit plans.

The defined-benefit plans in the Group are closed schemes. New employees receive a pension based on a defined-contribution plan.

Defined-benefit pension scheme
parebanken Øst has a collective pension scheme with Storebrand Livsforsikring AS. The scheme is defined benefit-based and covers retirement pensions for the members of the scheme, as well as spouse and child pensions for the members' survivors. The defined benefit scheme currently includes 178 individuals: 38 active members, 123 retired members, and 17 individuals who are fully or partially disabled with premium exemption according to their degree of disability. The scheme is closed. Pension obligations are accounted for in accordance with IAS 19, which requires the present value of the pension obligations, less the market value of the pension assets, to be recognized on the balance sheet. Actuarial calculations are performed annually based on information provided by the bank.

Defined contribution plan
From January 1, 2007, Sparebanken Øst introduced a defined contribution plan for all new employees at the bank. The plan is administered by Storebrand Livsforsikring AS. Contributions are made at a rate of 5% of salary up to 7.1 G (basic amount in Norway) and 8% of salary between 7.1 G and 12 G. All members have an individual pension account with Storebrand, and monthly contributions are transferred to this pension account. At the end of the year, the defined contribution plan includes 143 employees, 7 of whom are disabled. The premiums for these individuals are continuously paid and recorded under the accounting line "wages, etc."

Subsidiary
AS Financiering has a defined benefit plan that includes 14 people, 6 active employees, and 8 disabled retirees/pensioners. The plan is closed. 12 employees have a defined contribution plan, 1 of whom is disabled. Sparebanken Øst Eiendom AS has a defined benefit plan that includes 1 retiree. The plan is closed. 2 employees, equivalent to 1.2 full-time positions, have a defined contribution plan.

Operating pensions
The Group has separate pension agreements in place for eight people on salaries above 12G, all of whom are no longer employed by the Group. These operating pensions are taken into account in the calculations from the actuary.

Contractual early retirement pension (AFP)
The parent bank is a member of the AFP scheme, which is a collective pension scheme for the sector regulated by tariff agreements in Norway. The AFP scheme is based on a tripartite collaboration between employer organisations, employee organisations and the state. The state covers 1/3 of the AFP pension costs, while companies that are members of the scheme covers 2/3. Companies that participate in the AFP scheme are joint and severally liable for that which shall be paid to the employees who fulfil the terms of the scheme at any given time. All the parent bank's employees are members of the scheme.

For accounting purposes, the scheme is regarded as a defined-benefit multi-company scheme. The Bank is unable to identify its share of the scheme's underlying financial position and result with any sufficient degree of reliability, and for this reason the scheme is entered in the accounts as a defined-contribution scheme. This means that liabilities from the AFP scheme are not capitalised. Premiums for the scheme are expensed as they are incurred.

Contributions to the AFP scheme are included in the accounts under 'Salaries and other personnel expenses', and comprised NOK 2.2 million in 2024 and NOK 1.9 million in 2023. The contributions for 2025 are estimated at NOK 2.3 million.

An employee (member) must meet a number of criteria to be entitled to a contractual early retirement pension (AFP). These include that the member must be an employed and actual employee of an organisation that is affiliated with the scheme at the time of drawing his/her pension, and the member must have been continuously employed for the past 3 years, and have been employed in an organisation affiliated with the scheme for 7 of the past 9 years. AFP provides employees with a lifelong premium to the retirement pension from the National Insurance Scheme.

The scheme is administrated by the 'Fellesordningen for AFP', which also determines and collects the scheme's premium. The premium shall be set such that it is sufficient to cover current costs and also provides a basis for the arrangement of a pension fund.

In 2022, the premium was 2.7 per cent of salary between 1G and 7.1G. The premium rate for 2025 is unchanged and will be 2.7 per cent. The premium model is based on actual paid salary.

There is some undercoverage in the scheme. In the event of any discontinuation of the scheme, the organisations participating in the scheme are obliged to continue premium payments for the coverage of pension payments to employees who have joined or who fulfil the requirements for the contractual early retirement pension (AFP) at the time of discontinuation.

In January 2020, the transition supplement in the financial industry was clarified. The transition supplement is a temporary additional benefit for employees who retire with AFP (Early Retirement Pension) and leave employment. Initially, the scheme applied only to individuals born between 1955 and 1960 and was to be closed for new participants by the end of 2022. However, during the 2022 collective bargaining negotiations, the scheme was modified, and the parties agreed that it would close to new participants in 2024 and terminate in 2034. In the 2024 negotiations, the closure of the scheme was postponed while awaiting a new transition scheme in the National Insurance Scheme (Folketrygden).
The scheme took effect from January 1, 2019, and to be eligible for the supplement, the employee's average income over the last three years before retirement must not exceed 6G (the basic amount in Norway). The payment period starts no earlier than age 62 and lasts until the individual turns 72. The benefit amount is 0.15G annually, paid flat throughout the payment period. By the end of 2024, 22 people will receive payments under the scheme. In 2024, a total of NOK 0.3 million has been paid out in transition supplements. The future liability related to the transition supplement has increased by NOK 0.6 million in 2024 and amounts to NOK 4.5 million at the end of 2024. The bank has assumed that the scheme will close by the end of 2026 in these calculations. The liability is accounted for under other liabilities in the balance sheet.

Further information about defined-benefit schemes
Remaining qualification period
For the insured schemes, the calculations for Sparebanken Øst and AS Financiering assume that the remaining accrual period for active members is 7 years and 6 years, respectively. Sparebanken Øst Eiendom AS has no active members in the scheme.

Actuarial assumptions
Calculations are based on mortality table K2013 and disability tariff KU. The calculations are based on standardised assumptions concerning death and disability trends. A retirement rate is expected that slowly decreases from 8 per cent for the age group 20–24 years, down to 0 per cent for 51-year-olds and older.

Qualification
The qualification period for individual pension rights is calculated from employment by the company until the established retirement age. The actuarial calculation methods are based on the principle of linear earning and allow for future salary and G (the National Insurance basic amount) growth.

Financial assumptions	**2024**	**2023**
Expected return on pension funds, %	3,90	3,10
Discount rate	3,90	3,10
Annual salary growth, %	3,50	3,00
Annual G adjustment	3,75	3,25
Annual pension regulation, %	2,40	1,80

When calculating the pension costs and net pension liabilities, a number of assumptions are used. According to IAS 19, the discount interest rate on each balance sheet date must be determined with reference to the interest rate for corporate bonds of high quality or to government bonds in the absence of a deep market for corporate bonds of high quality, in accordance with the standard's description. The Norwegian market for covered bonds is assessed to have the characteristics that make them suitable to be the basis for the calculation of the discount interest rate.

Sparebanken Øst sets the discount rate on the basis of covered bonds.

Risk assessment
Via defined-benefit pension schemes, the Group is affected by individual risks as a result of uncertainty in conditions and future development. The most central risks are:

Life expectancy: The Group has undertaken to pay the pension for the entirety of the employee's life. Therefore an increase in life expectancy among the members will result in an increased liability for the Group.

Return risk: The Group's pension assets are affected by the actual return on pension funds. A reduction in actual return will therefore result in increased liability for the Group.

Inflation and salary growth risk: The group's pension liability has risk relating to both inflation and salary development, even though salary development is closely related to inflation. Higher inflation and salary developments than those used in the pension calculations will result in increased liabilities for the group.

Pension costs in ordinary result

Group 2024	**Group 2023**		**Parent bank 2024**	**Parent bank 2023**
		Net pension costs, defined-benefit scheme		
5,6	5,3	Present value of annual pension savings	5,1	4,8
1,8	1,6	Interest costs for pension liabilities	1,8	1,5
7,4	**6,8**	**Net pension costs including employers' National Insurance contribution**	**6,9**	**6,3**
0,6	0,5	Payments and changes in provisions for transitional supplement for AFP	0,6	0,5
6,1	5,8	Premium payment, defined-contribution scheme	5,8	5,4
2,2	1,9	Premium payment, AFP scheme	2,2	1,9
16,3	**15,0**	**Total pension costs in ordinary result**	**15,4**	**14,1**

Specification of pension liabilities and pension funds – Group

	2024			**2023**	
Funded	**Unfunded**	**Total**	**Funded**	**Unfunded**	**Total**

			Change in gross pension liability:			
274,7	24,9	299,6	Pension liability as at 1.1.	263,5	25,3	288,7
0,0	0,0	0,0	Additions and disposals	0,0	0,0	0,0
5,4	0,0	5,4	Costs of current period's pension earnings	5,1	0,0	5,1
8,4	0,7	9,2	Interest costs	7,8	0,7	8,5
-14,9	-0,5	-15,3	Actuarial gains and losses	9,3	0,6	9,8
0,0	0,0	0,0	Employee transfer from subsidiary	0,0	0,0	0,0
-10,4	-1,7	-12,0	Disbursement of pension/paid-up policies	-10,9	-1,7	-12,6
263,3	**23,5**	**286,8**	**Gross pension liability as at 31.12**	**274,7**	**24,9**	**299,6**
			Change in gross pension funds:			
239,4	0,0	239,4	Fair value of pension funds as at 1.1	236,0	0,0	236,0
0,0	0,0	0,0	Additions and disposals	0,0	0,0	0,0
7,1	0,0	7,1	Estimated return on pension funds	6,8	0,0	6,8
-2,7	0,0	-2,7	Actuarial gains and losses	-10,4	0,0	-10,4
13,8	0,0	13,8	Premium payments	17,8	0,0	17,8
-10,1	0,0	-10,1	Disbursement of pensions/paid-up policies	-10,8	0,0	-10,8
247,5	**0,0**	**247,5**	**Fair value of pension funds as at 31.12**	**239,4**	**0,0**	**239,4**
15,8	**23,5**	**39,4**	**Net pension liability (+)/- pension funds (-)**	**35,3**	**24,9**	**60,2**
0,1	0,0	0,1	Overfunded pension asset not recognized	0,0	0,0	0,0
15,9	**23,5**	**39,4**	**Net balance sheet pension obligation**	**35,3**	**24,9**	**60,2**

Changes in the obligation:

2024		**2023**
60,2	**Net pension liability as at 1.1**	**52,7**
0,0	Employee transfer from subsidiary	0,0
7,4	Recognised pension costs (in ordinary result)	6,8
0,0	Additions and disposals	0,0
-12,6	Actuarial gains and losses	20,2
-13,8	Paid-in pension premiums	-17,8
-1,9	Pension payments	-1,8
0,1	Overfunded pension asset not recognized	0,0
39,4	**Net pension liabilities on balance sheet as at 31.12**	**60,2**
13,1	Expected premium payment next year, defined benefit plan	15,1
6,7	Expected premium payment next year, defined contribution plan	6,4
2,3	Expected premium payment next year, AFP scheme	2,2

	Investment of pension funds in per cent	
10,0 %	Shares	4,0 %
9,0 %	Bonds	7,0 %
12,0 %	Loans	13,0 %
47,0 %	Facilities	45,0 %
6,0 %	Money market	15,0 %
2,0 %	Business loans	2,0 %
11,0 %	Property	14,0 %
3,0 %	Alternative investments	2,0 %
4,8 %	**Total value-adjusted return**	**1,8 %**

Sensitivity analysis, defined-benefit schemes

The sensitivity analysis is performed by changing an actuarial assumption while simultaneously keeping the other assumptions unchanged. Actual results may differ significantly from these estimates.

Change in percentage points	Discount rate + 0,5%	-0,5%	Annual growth in salary/basic amount + 0,5%	-0,5%	Annual pension regulation +0,5%	-0,5%
Percentage change in pension						
- Pension liability (PBO)	-7,5 %	8,7 %	1,7 %	-1,7 %	6,9 %	-6,3 %
- Net pension costs for the period	-8,9 %	10,1 %	3,7 %	-3,5 %	6,8 %	-6,2 %

The pension liability is particularly sensitive to changes in the discount rate. A reduction in the discount rate will in isolation result in an increase in the pension liability. A reduction in the discount rate of 0.5 percentage points will increase the pension liability by around 8.7 per cent. An increase in salary adjustments and pension regulation will result in an increase in the pension liability.

The maturity structure for the Group's pension liability for the next 10 years was as follows as at 31.12.24.

	Amount	As a percentage of gross pension liability
Under 1 year	10,1	3,5 %
Year 2	10,2	3,5 %
Year 3	11,0	3,8 %
Year 4	12,0	4,2 %
Year 5	13,6	4,7 %
Year 6	88,6	30,9 %
Total	145,4	50,7 %

Specification of pension liabilities and pension funds – parent bank

2024 Funded	2024 Unfunded	2024 Total		2023 Funded	2023 Unfunded	2023 Total
			Change in gross pension liability:			
257,0	24,4	281,4	Pension liability as at 1.1.	246,4	24,8	271,2
0,0	0,0	0,0	Additions and disposals	0,0	0,0	0,0
5,0	0,0	5,0	Costs of current period's pension earnings	4,6	0,0	4,6
7,9	0,7	8,6	Interest costs	7,3	0,7	8,0
-12,9	-0,5	-13,4	Actuarial gains and losses	8,9	0,5	9,4
0,0	0,0	0,0	Employee transfer from subsidiary	0,0	0,0	0,0
-9,5	-1,6	-11,1	Disbursement of pension/paid-up policies	-10,2	-1,6	-11,8
247,4	**23,1**	**270,5**	Gross pension liability as at 31.12	**257,0**	**24,4**	**281,4**
			Change in gross pension funds:			
223,6	0,0	223,6	Fair value of pension funds as at 1.1	220,1	0,0	220,1
0,0	0,0	0,0	Additions and disposals	0,0	0,0	0,0
6,7	0,0	6,7	Estimated return on pension funds	6,4	0,0	6,4
-1,3	0,0	-1,3	Actuarial gains and losses	-9,8	0,0	-9,8
12,3	0,0	12,3	Premium payments	17,2	0,0	17,2
-9,5	0,0	-9,5	Disbursement of pensions/paid-up policies	-10,2	0,0	-10,2
231,8	**0,0**	**231,8**	Fair value of pension funds as at 31.12	**223,6**	**0,0**	**223,6**
15,6	**23,1**	**38,6**	**Net pension liability (+)/- pension funds (-)**	**33,4**	**24,4**	**57,8**

Changes in the commitment:

2024		2023
57,8	**Net pension liability as at 1.1**	**51,1**
0,0	Employee transfer from subsidiary	0,0

6,9	Recognised pension costs (in ordinary result)	6,3
0,0	Additions and disposals	0,0
sss-12,1	Actuarial gains and losses	19,2
-12,3	Paid-in pension premiums	-17,2
-1,6	Pension payments	-1,6
38,6	**Net pension liabilities on balance sheet as at 31.12**	**57,8**

11,9	Expected premium payment next year, defined-benefit scheme	14,3
6,1	Expected premium payment next year, defined-contribution scheme	5,8
2,3	Expected premium payment next year, contractual early retirement pension scheme (AFP)	2,2

	Investment of pension funds in per cent	
10,0 %	Shares	4,0 %
9,0 %	Bonds	7,0 %
12,0 %	Loans	13,0 %
47,0 %	Facilities	45,0 %
6,0 %	Money market	15,0 %
2,0 %	Business loans	2,0 %
11,0 %	Property	14,0 %
3,0 %	Alternative investments	2,0 %
4,8 %	**Total value-adjusted return**	**1,8 %**

Sensitivity analysis, defined-benefit schemes

The sensitivity analysis is performed by changing an actuarial assumption while simultaneously keeping the other assumptions unchanged. Actual results may differ significantly from these estimates.

	Discount rate		**Annual growth in salary/basic amount**		**Annual pension regulation**	
Change in percentage points	**+ 0,5%**	**-0,5%**	**+ 0,5%**	**-0,5%**	**+0,5%**	**-0,5%**
Percentage change in pension						
- Pension liability (PBO)	-7,6 %	8,8 %	1,7 %	-1,7 %	7,1 %	-6,4 %
- Net pension costs for the period	-9,1 %	10,3 %	3,7 %	-3,6 %	6,9 %	-6,3 %

The pension liability is particularly sensitive to changes in the discount rate. A reduction in the discount rate will in isolation result in an increase in the pension liability. A reduction in the discount rate of 0.5 percentage point will increase pension liabilities by around 8.8 per cent. An increase in salary adjustments and pension regulation will result in an increase in the pension liability.

The maturity structure for the parent bank's pension liability for the next 10 years was as follows as at 31.12.24.

	Amount	As a percentage of gross pension liability
Under 1 year	9,6	3,5 %
Year 2	9,7	3,6 %
Year 3	10,3	3,8 %
Year 4	11,3	4,2 %
Year 5	12,9	4,8 %
Year 6-10	82,4	30,5 %
Totals	136,2	50,4 %

NOTE 38 – SENIOR SUBORDINATED BONDS

Change in senior subordinated bonds 2024 – Group and parent bank

	31.12.23	**Issued**	**Due/redeemed**	**Other changes**	**31.12.24**

				incl. currency.	
Senior subordinated bonds, nominal value	1.492,7	102,5	0,0	1,7	1.597,0
Value adjustments	0,0	0,0	0,0	0,0	0,0
Accrued interest	15,4	0,0	0,0	0,4	15,8
Total	**1.508,2**	**102,5**	**0,0**	**2,1**	**1.612,8**

Change in senior subordinated bonds 2022 – Group and parent bank

	31.12.22	Issued	Due/redeemed	Other changes incl. currency	31.12.23
Senior subordinated bonds, nominal value	891,3	599,7	0,0	1,7	1.492,7
Value adjustments	0,0	0,0	0,0	0,0	0,0
Accrued interest	4,8	0,0	0,0	10,6	15,4
Total	**896,2**	**599,7**	**0,0**	**12,3**	**1.508,2**

	Outstanding volume 31.12.24*	Average balance 2024	Weighted effective interest 2024	Outstanding volume 31.12.23*	Average balance 2023	Weighted effective interestrate 2023
Senior subordinated bonds (SNPs)	1.597,0	1.509,3	5,69 %	1.492,7	1.167,9	5,05 %
Senior subordinated bonds (SNPs)	**1.597,0**	**1.509,3**	**5,69 %**	**1.492,7**	**1.167,9**	**5,05 %**

* Measured at amortised cost excl. accrued interest on the balance sheet date.

Senior subordinated bonds by maturity

	Senior subordinated bonds
2025	0,0
2026	0,0
2027	400,0
2028	800,0
2029	0,0
2030	400,0
2031	0,0
2032	0,0
2033 and after	0,0
Gross borrowing	1.600,0
Accrued interest	15,8
Direct costs and premium/discount	-3,0
Value adjustments	0,0
Net borrowing	**1.612,8**

Call/put loans by call/put date.

NOTE 39 – SUBORDINATED LOAN CAPITAL

Change in subordinated loan capital 2023 – Group and parent bank

	31.12.23	Issued	Due/redeemed	Other changes incl. currency	31.12.24
Ordinary subordinated loan capital, nominal value	400,0	100,0	0,0	0,0	500,0
Value adjustments	0,0	0,0	0,0	0,0	0,0
Accrued interest	2,4	0,0	0,0	1,0	3,4
Total subordinated loan capital	**402,4**	**100,0**	**0,0**	**1,0**	**503,4**

Change in subordinated loan capital 2022 – Group and parent bank

	31.12.22	Issued	Due/redeemed	Other changes incl. currency	31.12.23
Ordinary subordinated loan capital, nominal value	419,9	200,0	220,1	0,1	400,0
Value adjustments	0,0	0,0	0,0	0,0	0,0
Accrued interest	1,0	0,0	0,0	1,4	2,4
Total subordinated loan capital	**420,9**	**200,0**	**220,1**	**1,5**	**402,4**

	Outstanding volume 31.12.24*	Average balance 2024	Weighted effective interest 2024	Outstanding volume 31.12.23*	Average balance 2023	Weighted effective interestrate 2023
Subordinated bond loan	500,0	414,8	7,09 %	400,0	414,1	6,13 %
Subordinated loan capital	**500,0**	**414,8**	**7,09 %**	**400,0**	**414,1**	**6,13 %**

* Measured at amortised cost excl. accrued interest on the balance sheet date.

Subordinated loan capital by maturity

	Subordinated loan capital
2025	0,0
2026	0,0
2027	0,0
2028	400,0
2029	0,0
2030	100,0
2031	0,0
2032	0,0
2033 and after	0,0
Gross borrowing	500,0
Accrued interest	3,4
Direct costs and premium/discount	0,0
Value adjustments	0,0
Net borrowing	**503,4**

Call/put loans by call/put date.

NOTE 40 - ADDITIONAL TIER 1 CAPITAL

Additional Tier 1 capital and interest earned on additional Tier 1 capital are presented as equity.

Change in additional Tier 1 capital 2024 – Group and parent bank

	31.12.23	Issued	Due/redeemed	Other changes incl. currency	31.12.24
Additional Tier 1 capital, nominal value	350,0	150,0	150,2	0,2	350,0
Value adjustments	0,0	0,0	0,0	0,0	0,0
Accrued interest	3,7	0,0	0,0	-2,3	1,4
Hybrid Tier 1 capital loans	**353,7**	**150,0**	**150,2**	**-2,1**	**351,4**

Change in additional Tier 1 capital 2023 – Group and parent bank

	31.12.22	Issued	Due/redeemed	Other changes incl. currency	31.12.23
Ordinary subordinated loan capital, nominal value	350,0	200,0	200,7	0,7	350,0
Value adjustments	0,0	0,0	0,0	0,0	0,0
Accrued interest	2,9	0,0	0,0	0,8	3,7
Total subordinated loan capital	**352,9**	**200,0**	**200,7**	**1,5**	**353,7**

	Outstanding volume 31.12.24*	Average balance 2024	Weighted effective interest 2024	Outstanding volume 31.12.23*	Average balance 2023	Weighted effective interestrate 2023
Additional Tier 1 capital	350,0	353,4	8,56 %	350,0	350,0	8,17 %
Additional Tier 1 capital	**350,0**	**353,4**	**8,56 %**	**350,0**	**350,0**	**8,17 %**

* Measured at amortised cost excl. accrued interest on the balance sheet date.

NOTE 41 – EQUITY CERTIFICATES

Earnings per equity certificate

Earnings per equity certificate are calculated by dividing the part of the profit after tax that accrues to equity certificate holders by a weighted average number of outstanding equity certificates during the year.

Sparebanken Øst has issued no options or other instruments that may lead to the dilution of earnings per equity certificate. Diluted earnings per equity certificate will therefore be the same as earnings per equity certificate.

Group 2024	Group 2023		Parent bank 2024	Parent bank 2023
492,9	411,3	Equity certificate holders' and primary capital share of profits	438,2	397,4
140,9	117,6	Profit after tax attributable to equity certificate holders	125,3	113,6
20,7	20,7	Weighted average number of outstanding equity certificates	20,7	20,7
6,80	5,67	Earnings per equity certificate (NOK)	6,04	5,48

Weighted number of equity certificates

2024	
No. of equity certificates in 2024	20.731.183
Total no. of certificates in 2024	20.731.183
2023	
No. of equity certificates in 2023	20.731.183
Total no. of equity certificates in 2023	20.731.183

Nominal value per equity certificate NOK 10.

Equity certificates registered in the CSD give voting rights in accordance with the articles of association. Of the 32 members of the Board of Trustees, 11 are elected by the owners of equity certificates. Owners of equity certificates are eligible to vote in elections from among their number to be members and deputy members of the Board of Trustees of the savings bank. Each equity certificate carries one vote, but no one can vote for more than 10% of all equity certificates or cast more than 20% of the votes represented at the election meeting.

Ownership fraction, parent bank

	01.01.2025	**01.01.2024**
Equity certificate capital	207,3	207,3
Premium reserve	387,8	387,8
Equalisation fund (excl. dividend)	364,9	361,1
Share of Fund for Unrealised Gains	105,6	114,4
Total numerator (A)	1.065,7	1.070,5
Total equity excl. hybrid capital (dividend provisions for the year excluded)	3.728,1	3.745,0
Total denominator (B)	3.728,1	3.745,0
Ownership fraction (A/B) in per cent	**28,59**	**28,59**

The Board's proposed dividend

NOK	**2024**	**2023**
Total dividend paid out	132.679.571	111.948.388
Paid out per equity certificate	6,40	5,40

The largest equity certificate holders as at 31.12.24

	Name	**Number**	**%**		**Name**	**Number**	**%**
1	MP Pensjon	1.324.485	6,39 %	11	AS Andersen Eiendomselskap	230.900	1,11 %
2	VPF Eika Egenkapitalbevis	1.030.874	4,97 %	12	Intertrade Shipping AS	230.000	1,11 %
3	Directmarketing Invest AS	999.500	4,82 %	13	Profond AS	168.019	0,81 %
4	Foretakskonsulenter AS	761.634	3,67 %	14	Spesialfondet Borea Utbytte	146.542	0,71 %
5	KLP	667.442	3,22 %	15	Teigen, Anne Kristine	121.025	0,58 %
6	Hansen, Asbjørn Rudolf	450.000	2,17 %	16	Hifo Invest AS	119.591	0,58 %
7	Jag Holding AS	395.897	1,91 %	16	Saturn Invest AS	119.591	0,58 %
8	Nordea Bank ABP	273.000	1,32 %	18	The Bank of New York Mellon	105.886	0,51 %
9	Bergen Kommunale Pensjonskasse	250.000	1,21 %	19	Wergeland Holding AS	104.933	0,51 %
9	BKK Pensjonskasse	250.000	1,21 %	20	Sørby, leif Ove	102.399	0,49 %

Board of Trustees	
Jon Aas	30.117
Ole Jørgen Smedsrud	0
Tor Flesaker	0
Nina Wilthil	0
Knut Andersen	0
Morten Ranvik	0
Thomas F. Halvorsen	0
May-Britt Andersen	0
Cato Brekke	0
Kim Mogen Myhre	0
Thor Sigurd Syvaldsen	0
Turid Solberg Thomassen	10.714
Ravi Sunder	0
Brynulf Kopperud	1.203
Ann Kristin Plomås	554
Anette Green	1.203
Camilla Schenk	649
Gunnar Sanden	1.631
Nathalie S. Evans	1.203
Knut Helge Jakobsen	184
Silje Wold Rørvik	987
Asbjørn R. Hansen	450.000
Johan H. Vister	13.360
Bent Guttormsen	1.500
Odd Reidar Øie	38.200
Kristin Nystrøm	39.728
Erlend Ramnefjell (representant for Investmaer AS)	4.000
Morten A. Yttreeide (representant for Yttreeide AS)	2.000
Lars M. Lunde	3.000
Per Fjeld-Olsen (representant for Simplian AS)	10.000
Frank Borgen	37.472
Erik Hansen (representant for Norsk Hussoppforsikring)	0

Board of Directors and related parties	
Øivind Andersson (leder)	75.000
Cecilie Hagby (nestleder)	0
Jorund Rønning Indrelid	34.485
Arne K. Stokke	6.012
Ole B. Hoen	52.619
Lina Andal Sørby	4.543
Sissel Album Fjeld	3.378
Håvard Saastad	3.203

Executive personnel and related parties	
Pål Strand	41.203
Kjell Engen	802
Ole Sivertsen	1.203
Espen Sollien	1.203
Arnljot Lien	1.203
Anne-Siri Rhoden Jensen	1.619
Jens Bjertnæs	873
Frode Lindbeck	1.631
Kristoffer Volden	1.203
Kristin Wittussen Myhre	1.203
Vegard Kvamme	3.554
Silje Wold Rørvik	987

Development in equity certificate capital

Year	Issue type	Paid-up equity certificate capital		Total equity certificate capital	
1988	Public issue	NOK	25.000.000	NOK	25.000.000
1989	Issue 1:1	NOK	25.000.000	NOK	50.000.000
1991	Issue 1:2	NOK	25.000.000	NOK	75.000.000
1991	Private placement	NOK	20.000.000	NOK	95.000.000
1993	Converted subordinated loan	NOK	15.531.000	NOK	110.531.000
1993	Issue 1:3	NOK	36.843.700	NOK	147.374.700
1993	Converted subordinated loan	NOK	245.000	NOK	147.619.700
1994	Converted subordinated loan	NOK	5.128.000	NOK	152.747.700
1994	Issue 1:3	NOK	50.915.900	NOK	203.663.600
1995	Converted subordinated loan	NOK	395.000	NOK	204.058.600
1996	Converted subordinated loan	NOK	808.000	NOK	204.866.600
1997	Converted subordinated loan	NOK	7.893.000	NOK	212.759.600
1997	Public issue	NOK	60.000.000	NOK	272.759.600
1999	Issue 1:3	NOK	90.919.900	NOK	363.679.500
2008	Dividend issue	NOK	24.252.400	NOK	387.931.900
2009	Write-down of nominal value from NOK 100 to NOK 20	NOK	310.345.520	NOK	77.586.380
2009	Write-down of nominal value from NOK 20 to NOK 10	NOK	38.793.190	NOK	38.793.190
2009	Preferential rights issue	NOK	168.518.640	NOK	207.311.830

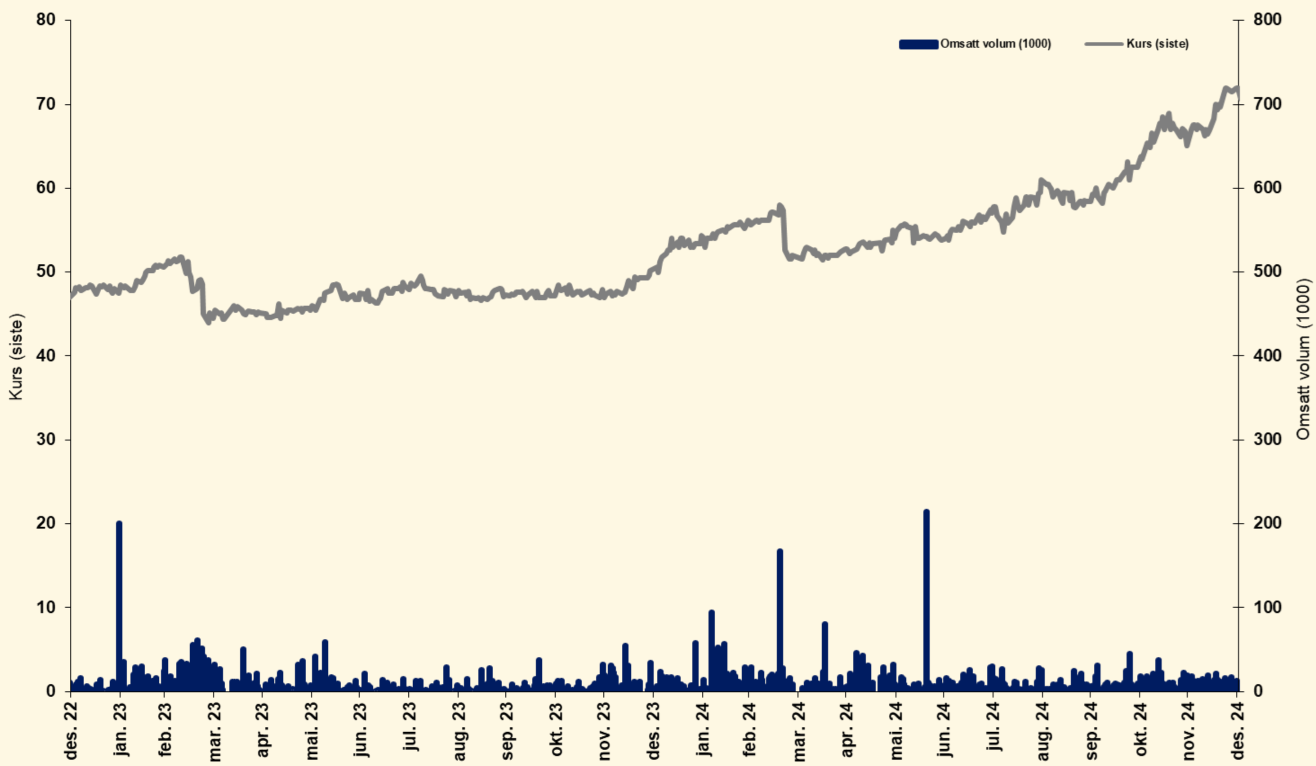
Owner statistics – geographical distribution

	No. of owners	%	No. of equity certificates	%
Abroad	106	2,6 %	1.073.721	5,2 %
Drammen	408	10,1 %	2.956.410	14,3 %
Øvre Eiker	254	6,3 %	669.078	3,2 %
Buskerud for øvrig	240	6,0 %	639.680	3,1 %
Asker/Bærum	296	7,4 %	964.628	4,7 %
Oslo	786	19,5 %	8.142.408	39,3 %
Trondheim	84	2,1 %	232.099	1,1 %
Bergen	201	5,0 %	1.071.849	5,2 %
Rest of Norway	1.647	40,9 %	4.981.310	24,0 %
Totalt	**4.022**	**100,0 %**	**20.731.183**	**100,0 %**

Distribution of equity certificates

No. of equity certificates per owner	No. of equity certificates per owner	%	No. of equity certificates	%
1 - 100	837	20,8 %	33.378	0,2 %
101 - 1.000	1.588	39,5 %	736.361	3,6 %
1.001 - 10.000	1.289	32,0 %	4.518.538	21,8 %
10.001 - 100.000	288	7,2 %	7.591.188	36,6 %
100.001 -	20	0,5 %	7.851.718	37,9 %
Sum	**4.022**	**100,0 %**	**20.731.183**	**100,0 %**

Sales and price trend in last 2 years



NOTE 42 - RELATED PARTY TRANSACTIONS

Transactions with Group companies'

The items below show income-statement transactions and balance sheet items between the parent company and its subsidiaries.

Sparebanken Øst sells residential mortgages to Sparebanken Øst Boligkreditt AS in order to supplement the cover pool in the credit institution. This is either to increase the cover pool in connection with the issuance of new covered bonds, or to compensate for residential mortgages that have been transferred to other banks or back to the parent bank. Loans are sold back to the parent bank upon refinancing. This may be related to taking up additional loans, the consolidation of multiple loans, or changes in the repayment profile. In 2024, Sparebanken Øst Boligkreditt AS made net purchases of residential mortgages from Sparebanken Øst amounting to NOK 6,596 million, of which purchased residential mortgages amounted to NOK 7,395 million and loans sold back amounted to NOK 799 million. In 2023, net residential mortgages purchased from Sparebanken Øst amounted to NOK 5,489 million, of which purchased loans totaled NOK 7,356 million and loans sold back amounted to NOK 1,867 million.

Sparebanken Øst Boligkreditt AS has a credit facility from the parent bank with a limit of NOK 3.0 billion, of which NOK 2.4 billion is unused.

Similarly, AS Financiering has a credit facility from the parent bank of NOK 2.5 billion, of which NOK 0.3 billion is unused.

Income statement	**2024**	**2023**
Interest income and similar income		
Interest certificates and covered bonds from subsidiaries	0,0	0,0
Interest income from subsidiaries	177,2	141,6
Interest costs and similar costs		
Interest and commission to subsidiaries	56,4	24,8
Commission income and income from banking services		
Other operating income from subsidiaries	33,3	31,9
Other operating income		
Rent from subsidiaries	2,3	2,3
Other operating costs		
Rent to subsidiaries	4,8	4,1
Other costs to subsidiaries	1,1	0,9

Balance sheet	**31.12.24**	**31.12.23**
Loans to and receivables from financial institutions		
Loans to subsidiaries	2.887,3	3.025,2
Lending to customers		
Loans to subsidiaries	7,3	7,3
Certificates and bonds		
Investment in covered bonds in subsidiaries	0,0	0,0
Other assets		
Other receivables	2,4	2,3
Liabilities to financial institutions		
Deposits from subsidiaries	882,8	638,6
Customer deposits		
Deposits from subsidiaries	49,3	47,9

Other liabilities		
Other liabilities to subsidiaries	10,7	10,7

Transactions with the executive management team, the Board of Directors and the Board of Trustees

	Executive management team		Board of Directors		Board of Trustees	
Amounts in NOK thousands	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Loans						
Outstanding loans as at 01.01.	32.246	19.109	16.502	19.543	52.714	32.350
Net change in loans during the period	9.741	13.136	-280	-3.041	-1.826	20.364
Outstanding loans as at 31.12.	**41.987**	**32.246**	**16.222**	**16.502**	**50.887**	**52.714**
Interest income	1.076	579	753	634	2.088	1.534
Loan losses	0	0	0	0	0	0
Deposits						
Deposits as at 01.01.	1.744	3.321	7.949	10.346	23.945	20.957
Net change in deposits during the period	-8	-1.577	3.271	-2.398	-4.188	2.987
Deposits as at 31.12.	**1.736**	**1.744**	**11.220**	**7.949**	**19.757**	**23.945**
Interest costs	36	59	484	156	941	745
Other income	0	0	0	0	0	0
Guarantees issued	0	0	0	0	0	0

None of the commitments were non-performing as at 31.12.24 or as at 31.12.23

NOTE 43 - COVERED BONDS AND PROVISION OF COLLATERAL

Through its subsidiary Sparebanken Øst Boligkreditt AS, the Group has pledged assets as collateral for issuing covered bonds. The Group has issued a nominal value of NOK 17,450.0 million as at 31.12.2024, and NOK 16,459.0 million as at 31.12.2023.

Pursuant to Section 11-7 of the Financial Institutions Regulation (Finansforetaksforskriften), Sparebanken Øst Boligkreditt AS must at all times maintain an overcollateralization in the cover pool of at least five percent of the nominal value of outstanding covered bonds. The cover pool mainly consists of residential mortgages secured by real estate, but also includes derivative contracts and supplementary collateral in the form of a liquidity buffer. Secured loans included in the cover pool must have had a loan-to-value ratio of 80 percent or lower at the time of acquisition. Defaulted loans (Stage 3), loan loss provisions, and the portion of loans with a loan-to-value ratio exceeding 80 percent are excluded from the cover pool.

	Sparebanken Øst Boligkreditt AS	
	31.12.2024	**31.12.2023**
Preferential rights in accordance with Section 11-15 of the Financial Institutions Act (nominal value)	**17.450,0**	**16.459,0**

	Sparebanken Øst Boligkreditt AS	
Cover pool	**31.12.2024**	**31.12.2023**
Qualified lending secured against property*	18.711,6	18.004,5
Financial derivatives (net)	-77,8	-49,7
Other substitute assets (bank deposits)	1.146,4	911,2
Total cover pool	**19.780,2**	**18.866,1**
Cover pool utilisation	114 %	114 %

*NOK 53.7 million of gross lending at Sparebanken Øst Boligkreditt AS does not qualify for the cover pool as at 31.12.24 (NOK 41.4 million as at 31.12.23).

NOTE 44 – EVENTS AFTER THE REPORTERING DATE

On 7 February 2025, Sparebanken Øst received an offer from DNB Bank ASA to purchase the bank's entire shareholding in Eksportfinans ASA. Sparebanken Øst currently owns 12,787 shares in Eksportfinans ASA, corresponding to a 4.85 percent ownership interest in the company. The offer presented amounts to NOK 18,940 in cash per share in Eksportfinans ASA.

The bank has accepted the offer. The offer is subject to several conditions that must be fulfilled before the transaction can be completed.

If the transaction is carried out in 2025 under the terms set out in the offer, Sparebanken Øst will recognize a positive profit effect of approximately NOK 80 million. The sale of the bank's shares in Eksportfinans ASA is not expected to result in any material changes to the bank's capital adequacy.ss

Statement in accordance with Section 5-5 of the Verdipapirhandelloven

We confirm that the financial statements for the period from 1 January to 31 December 2024, to the best of our knowledge, have been prepared in accordance with applicable accounting standards, and that the information presented in the financial statements provides a true and fair view of the Group's and the Company's assets, liabilities, financial position, and overall results.
We also confirm that the information presented in the annual report provides a true and fair overview of the development, performance, and position of the Group and the Company, together with a description of the principal risks and uncertainties facing the Group.

Hokksund, 31. December 2024
Drammen, 4. March 2025

Øivind Andersson
Chairman

Cecilie Hagby
Vice Chairman

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

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, net value changes and gains/losses on financial instruments and other operating income. The key figure is used to provide information about 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
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 growt
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 G 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 anc 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

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Statsautoriserte revisorer
Ernst & Young AS

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www.ey.no
Medlemmer av Den norske Revisorforening

Til forstanderskapet i Sparebanken Øst

UAVHENGIG REVISORS BERETNING

Uttalelse om årsregnskapet

Konklusjon

Vi har revidert årsregnskapet for Sparebanken Øst som består av:

- selskapsregnskapet, som består av balanse per 31. desember 2024, resultatregnskap, totalresultat, endringer i egenkapital og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder vesentlige opplysninger om regnskapsprinsipper, og
- konsernregnskapet som består av balanse per 31. desember 2024, resultatregnskap, totalresultat, endringer i egenkapital og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder vesentlige opplysninger om regnskapsprinsipper.

Etter vår mening

- oppfyller årsregnskapet gjeldende lovkrav,
- gir selskapsregnskapet et rettvisende bilde av selskapets finansielle stilling per 31. desember 2024 og av deres resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med IFRS Accounting Standards som godkjent av EU, og
- gir konsernregnskapet et rettvisende bilde av konsernets finansielle stilling per 31. desember 2024 og av deres resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med IFRS Accounting Standards som godkjent av EU.

Vår konklusjon er konsistent med vår tilleggsrapport til revisjonsutvalget.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet og konsernet i samsvar med kravene i relevante lover og forskrifter i Norge og *International Code of Ethics for Professional Accountants* (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Vi er ikke kjent med at vi har levert tjenester som er i strid med forbudet i revisjonsforordningen (EU) No 537/2014 artikkel 5 nr. 1.

Vi har vært Sparebanken Østs revisor sammenhengende i 25 år fra valget på forstanderskapsmøte i 2000 for regnskapsåret 2000.

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Sentrale forhold ved revisjonen

Sentrale forhold ved revisjonen er de forhold vi mener var av størst betydning ved revisjonen av årsregnskapet for 2024. Disse forholdene ble håndtert ved revisjonens utførelse og da vi dannet oss vår mening om årsregnskapet som helhet, og vi konkluderer ikke særskilt på disse forholdene.

Tap på utlån, ubenyttede kreditter og garantier

Grunnlag for det sentrale forholdet
Grunnlag for det sentrale forholdet utlån til kunder utgjør i konsernregnskapet NOK 37 003 millioner (80 % av totale eiendeler). Tilsvarende beløp i selskapsregnskapet er NOK 15 464 millioner (53 % av totale eiendeler). Forventet tap på utlån til kunder, ubenyttede kreditter og garantier i konsernregnskapet utgjør NOK 112,2 millioner. Forventet tap fordeles til tre trinn hvorav NOK 27,3 millioner er basert på modellberegninger (trinn 1, 2 og 3) og NOK 84,9 millioner er basert på individuelle vurderinger av nedskrivninger (trinn 3). Fastsettelsen av estimatet på forventet tap krever at ledelsen bruker skjønn for å utarbeide et nøytralt og sannsynlighetsvektet estimat som fastsettes ved å vurdere ulike mulige utfall, tidsverdi av penger, rimelig og underbygget informasjon om tidligere hendelser, dagens forhold og prognoser for økonomiske forventninger. Som følge av bruken av skjønn i målekriteriene for forventet tap, kompleksitet i beregningene og den tilhørende effekten på tapsestimatet, så vurderte vi avsetningen for forventet tap som et sentralt forhold i revisjonen.

Forventet tap på utlån, ubenyttede kreditter og garantier omtales i note 2, 3 og 10 i årsregnskapet.

Våre revisjonshandlinger
Vi vurderte konsernets metodikk for å fastsette estimatet på forventet tap. Videre vurderte vi og testet effektivitet og målrettethet av internkontrollen som konsernet har implementert i prosessen for å beregne det forventede tapet, herunder inputvariabler og forutsetninger. Vi evaluerte ledelsens vurderinger av ulike økonomiske scenarioer så vel som makroøkonomiske data brukt i beregningen. For avsetninger i trinn 3 som er individuelt fastsatt, så vurderte vi forventede fremtidige kontantstrømmer og estimert verdi på underliggende sikkerheter.

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Verdsettelse av finansielle instrumenter

Grunnlag for det sentrale forholdet
Unoterte aksjer målt til virkelig verdi verdsettes på grunnlag av prissettingsmodeller med forutsetninger som ikke er observerbare i markedet. Verdsettelsen av disse instrumentene krever bruk av skjønn. Unoterte aksjer utgjør NOK 782 millioner i konsernregnskapet og selskapsregnskapet og er klassifisert som nivå 3-instrumenter i verdsettelseshierarkiet. Siden de unoterte aksjene er vesentlige, vurderte vi verdsettelsen for å være et sentralt forhold ved revisjonen.

Nivå 3-instrumenter, som er oppført til virkelig verdi i balansen, omtales i note 25 i årsregnskapet.

Våre revisjonshandlinger
Vi vurderte ledelsens valg og godkjennelse av forutsetninger og metodikker brukt i verdsettelsene. Vi testet prissettingsmodellene mot bransjepraksis og retningslinjer for verdsettelser. Vi vurderte verdiestimatene på utvalgte instrumenter og brukte eksterne kildedata når det var tilgjengelig.

Øvrig informasjon

Styret og administrerende direktør (ledelsen) er ansvarlige for informasjonen i årsberetningen og annen øvrig informasjon som er publisert sammen med årsregnskapet. Øvrig informasjon omfatter nøkkeltall, administrerende direktørs uttalelse, årets hendelser, historisk perspektiv, strategiske ambisjoner, styret, ledelse og organisasjon, allmennyttige gaver, bærekraft, eierstyring og selskapsledelse, styrets årsberetning, erklæring i henhold til verdipapirhandelloven, og definisjon nøkkeltall og alternative resultatmål. Vår konklusjon om årsregnskapet ovenfor dekker verken informasjonen i årsberetningen eller annen øvrig informasjon.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese årsberetningen og annen øvrig informasjon. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom årsberetningen, annen øvrig informasjon og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i årsberetningen og annen øvrig informasjon ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom årsberetningen eller annen øvrig informasjon fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

Vår uttalelse om årsberetningen gjelder tilsvarende for redegjørelse om eierstyring og selskapsledelse.

Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettvisende bilde i samsvar med IFRS Accounting Standards som godkjent av EU. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets og konsernets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet med mindre ledelsen enten har til hensikt å avvikle selskapet, konsernet eller virksomheten, eller ikke har noe annet realistisk alternativ.

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Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktet feil. Feilinformasjon er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og anslår vi risikoen for vesentlig feilinformasjon i årsregnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av intern kontroll.
- opparbeider vi oss en forståelse av intern kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets og konsernets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets og konsernets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet og konsernet ikke kan fortsette driften.
- evaluerer vi den samlede presentasjonen, strukturen og Contentset i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettvisende bilde.
- innhenter vi tilstrekkelig og hensiktsmessig revisjonsbevis vedrørende den finansielle informasjonen til enhetene eller forretningsområdene i konsernet for å kunne gi uttrykk for en mening om konsernregnskapet. Vi er ansvarlige for å lede, følge opp og gjennomføre konsernrevisjonen. Vi har eneansvar for vår konklusjon om konsernregnskapet.

Vi kommuniserer med styret blant annet om det planlagte Contentset i og tidspunktet for revisjonsarbeidet og eventuelle vesentlige funn i revisjonen, herunder vesentlige svakheter i intern kontroll som vi avdekker gjennom revisjonen.

Vi avgir en uttalelse til revisjonsutvalget om at vi har etterlevd relevante etiske krav til uavhengighet, og kommuniserer med dem alle relasjoner og andre forhold som med rimelighet kan tenkes å kunne påvirke vår uavhengighet, og, der det er relevant, om tilhørende forholdsregler.

Av de forholdene vi har kommunisert med styret, tar vi standpunkt til hvilke som var av størst betydning for revisjonen av årsregnskapet for den aktuelle perioden, og som derfor er sentrale forhold ved revisjonen. Vi beskriver disse forholdene i revisjonsberetningen med mindre lov eller forskrift hindrer offentliggjøring av forholdet, eller dersom vi, i ekstremt sjeldne tilfeller, beslutter at forholdet ikke skal omtales i revisjonsberetningen siden de negative konsekvensene ved å gjøre dette med rimelighet må forventes å oppveie allmennhetens interesse av at forholdet blir omtalt.

Uttalelse om øvrige lovmessige krav

Uttalelse om etterlevelse av krav om felles elektronisk rapporteringsformat (ESEF)

Konklusjon

Som en del av revisjonen av årsregnskapet for Sparebanken Øst har vi utført et attestasjonsoppdrag for å oppnå betryggende sikkerhet for at årsregnskapet som inngår i årsrapporten med filnavn 5967007LIEEXZX51WW28-2024-12-31-0-no.zip i det alt vesentlige er utarbeidet i overensstemmelse med kravene i delegert kommisjonsforordning (EU) 2019/815 om et felles elektronisk rapporteringsformat (ESEF-regelverket) etter forskrift gitt med hjemmel i verdipapirhandelloven § 5-5, som inneholder krav til utarbeidelse av årsrapporten i XHTML-format og iXBRL-markering av konsernregnskapet.

Etter vår mening er årsregnskapet som inngår i årsrapporten i det alt vesentlige utarbeidet i overensstemmelse med kravene i ESEF-regelverket.

Ledelsens ansvar

Ledelsen er ansvarlig for å utarbeide årsrapporten i overensstemmelse med ESEF-regelverket. Ansvaret omfatter en hensiktsmessig prosess, og slik intern kontroll ledelsen finner nødvendig.

Revisors oppgaver og plikter

Vår oppgave er, på grunnlag av innhentet revisjonsbevis, å gi uttrykk for en mening om årsregnskapet, som inngår i årsrapporten, i det alt vesentlige er utarbeidet i overensstemmelse med kravene i ESEF-regelverket. Vi utfører vårt arbeid i samsvar med internasjonal attestasjonsstandard (ISAE) 3000 – «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon». Standarden krever at vi planlegger og utfører handlinger for å oppnå betryggende sikkerhet for at årsregnskapet er utarbeidet i overensstemmelse med kravene i ESEF-regelverket.

Som et ledd i vårt arbeid utfører vi handlinger for å opparbeide forståelse for selskapets prosesser for å utarbeide årsregnskapet i overensstemmelse med ESEF-regelverket. Vi kontrollerer om årsregnskapet foreligger i XHTML-format. Vi utfører kontroller av fullstendigheten og nøyaktigheten av iXBRL-markeringen av konsernregnskapet, og vurderer ledelsens anvendelse av skjønn. Vårt arbeid omfatter kontroll av samsvar mellom markeringene av data i iXBRL og det reviderte årsregnskapet i menneskelig lesbart format. Vi mener at innhentet bevis er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Drammen, 4. mars 2025
ERNST & YOUNG AS

Revisjonsberetningen er signert elektronisk

Johan-Herman Stene
statsautorisert revisor

SPAREBANKEN ØST