



Financial targets

Solid and profitable

Profitability

Return on equity 10 % p.a.

Dividends

50 % pay-out ratio

Solidity

CET1 minimum 16 %

Summary of financials – Q3 2017

Increased profitability

Profit before tax in Q3-17 at 476 MNOK (587 MNOK).
Profit before tax YTD 2017 at 1,196 MNOK (1,077 MNOK).

Return on equity

ROE in Q3-17 at 12.0 % (15.0 %).
ROE YTD 2017 at 10.1 % (10.7 %).

Well capitalized

CET 1 ratio at 16.9 % (17.5%).
Leverage ratio at 7.3 % (8.5 %).

High lending growth

Lending growth of 7.9 % (incl. covered bond companies).
YoY of 9.8 %.

Reduced deposit growth

Deposit growth 5.1 % YoY (11.4 %).

Very low losses

Still very low losses with 0.1% in Q3-17.
0.0 % YTD 2017

Merger update

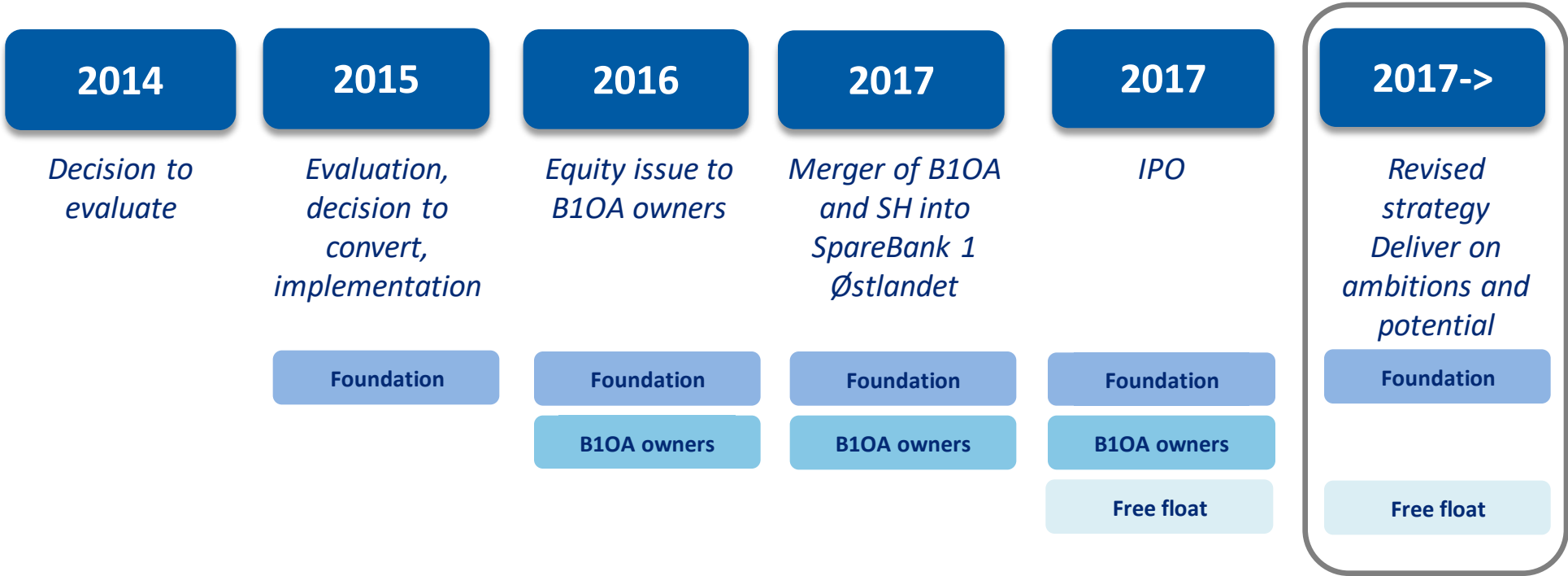
Successful merger and positive equity certificate performance

- Acquisition of Bank1 Oslo Akershus
 - Completed H1 2016
- Legal merger
 - Successful legal merger 1st April 2017
 - The merged bank changed name to SpareBank 1 Østlandet from the same date
- IPO
 - The bank was listed on Oslo Stock Exchange on June 13th 2017 with ticker SPOL
 - Listing price at NOK 78.00
 - Price 30th September NOK 85.50
- Technical merger
 - Successfully completed 15th October 2017
- Synergies from merger
 - MNOK 75 yearly cost synergies from 2018



Continuous development of the bank

Merger and IPO foundation for future growth



Customer dividend enables stable EC-capital ratio

Attractive Market

Major player in Eastern Norway with main focus in Hedmark, Oppland, Oslo and Akershus



#1: INLAND REGION – Hedmark and Oppland



- Approx. 8 % of national population (0.39m inhabitants).
- More than 6 % of national GDP.
- Norway's largest region for agriculture and forestry.
- Diverse business sector dominated by SMEs.
- Most cyclically stable region in Norway, limited exposure to oil, shipping or fishing.

#2: CAPITAL REGION – Oslo and Akershus



- Approx. 25 % of national population (1.26m inhabitants).
- More than 33 % of national GDP.
- Norway's decision center and hub – including the central government.
- Europe's 2nd highest level of education* and above half of Norway's R&D.
- Very high population growth.

Value Proposition

SpareBank 1 Østlandet is one of Norway's most well-run and solid banks

1

Norway's 4th largest savings bank * – based in Eastern Norway



2

The most solid regional savings bank in Norway **



3

Low credit risk in loan portfolio – limited loan losses



4

Profitable operations with good dividend capacity



5

Strong home market position and attractive growth opportunities



6

Innovative customer dividend



7

Long-term targets: 10 % ROE, 16 % CET 1 ratio and 50 % dividend ratio



Long and Profitable Operational History

4th largest savings bank * in Norway with established client base and diversified offering

History from 1845 – known as Sparebanken Hedmark (“SBHE”) until 1 April 2017.

Norway’s fourth largest savings bank * – total adjusted assets (incl. cov. bonds) of approx. NOK 144bn

Operations in Hedmark, Oppland, Oslo and Akershus – a market with more than 1.7 million inhabitants

Head office in Hamar (90 minute drive north of Oslo) – 38 bank branches and 1,100 employees

More than 290,000 customers – retail share of total lending of approximately 74 %

Diversified product offering – provides banking, leasing, accounting and real estate services

Part of the SpareBank 1 Alliance – owns 12.4 % of SpareBank 1 Gruppen AS

Recently acquired Bank 1 Oslo Akershus (“B1OA”) – represents attractive footprint in the greater Oslo region

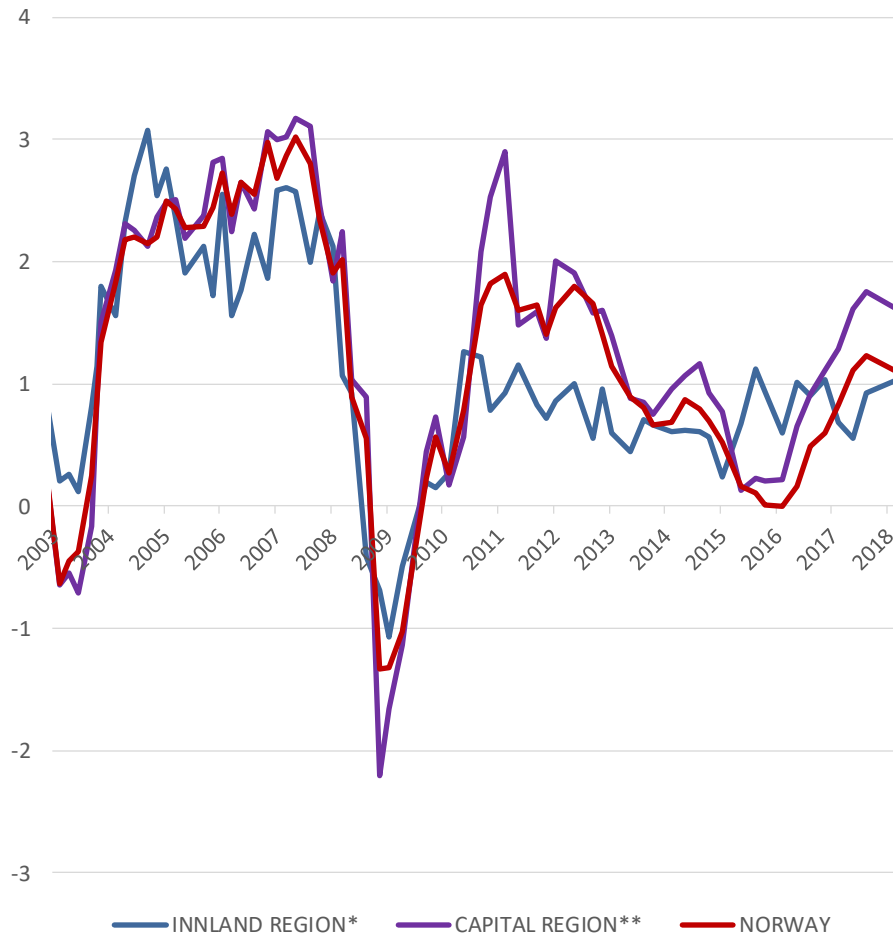


Macroeconomic Environment

Diverse home market with low unemployment and good economic activity

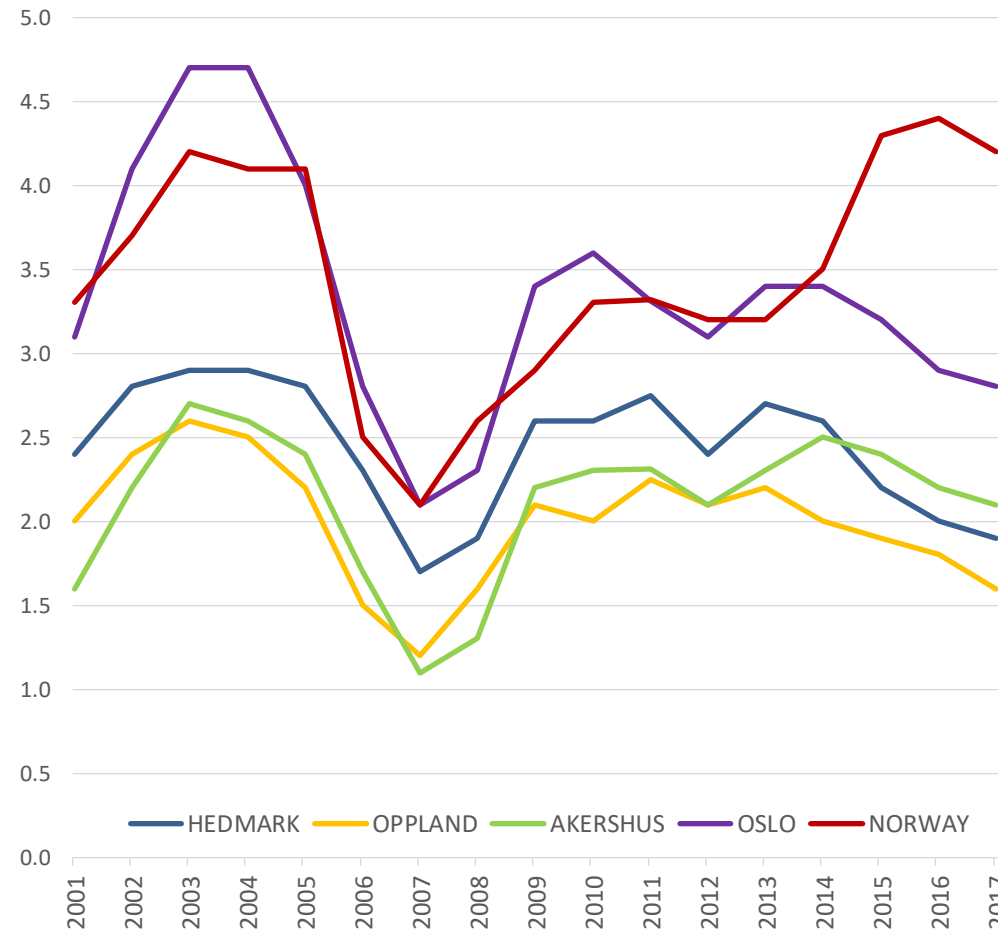
Productivity above trend

Growth in production past 3 months – seasonally adj. index



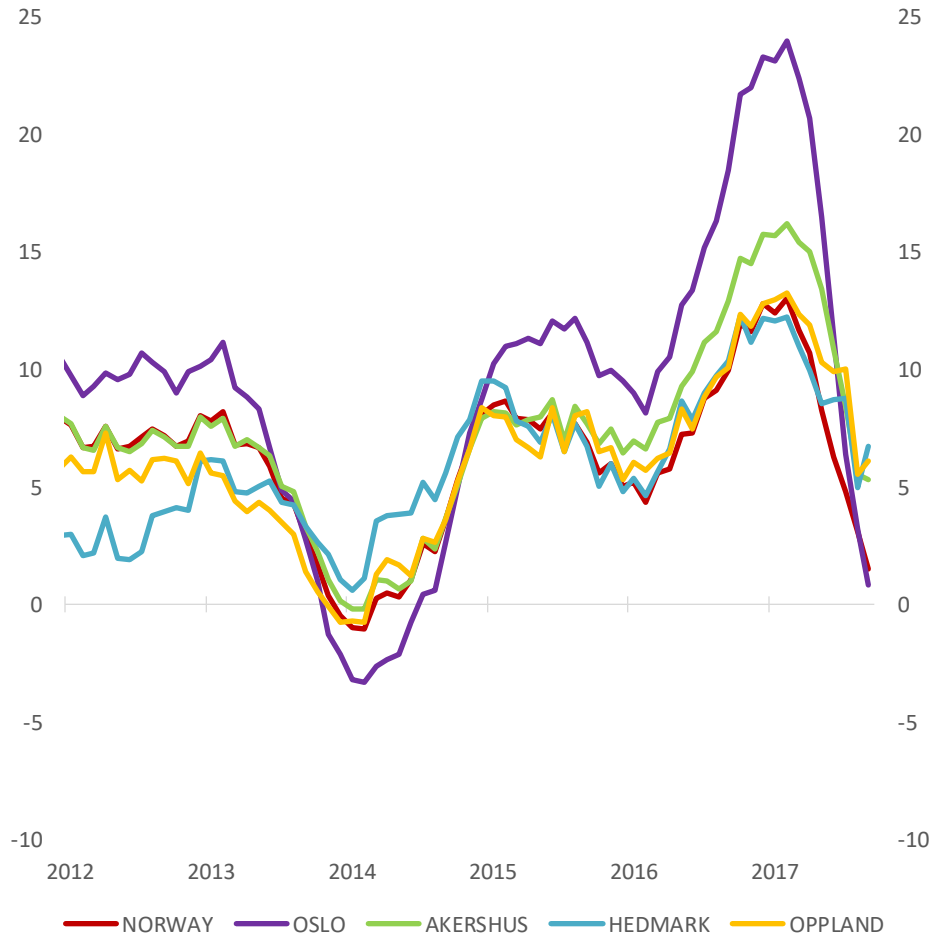
Low and falling unemployment

Unemployment Rate



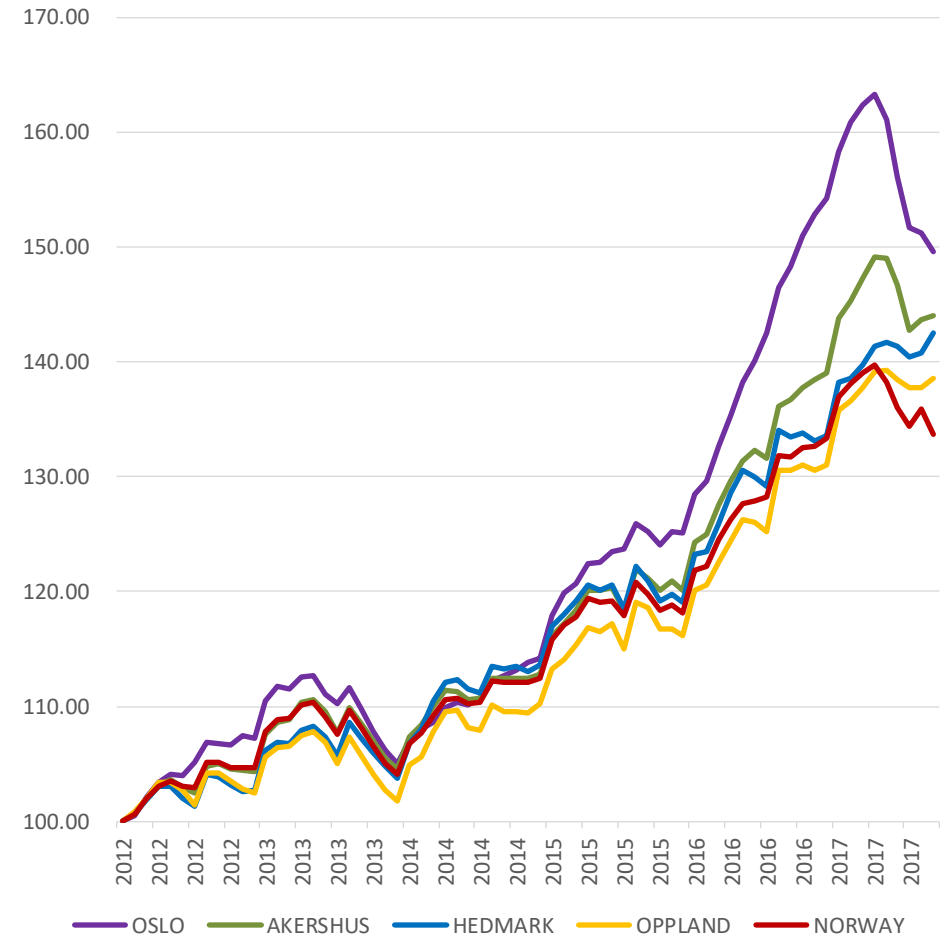
Stagnation in housing price growth

Housing prices per county, YoY



....but more in some areas than other

Housing prices per county, Indexed*

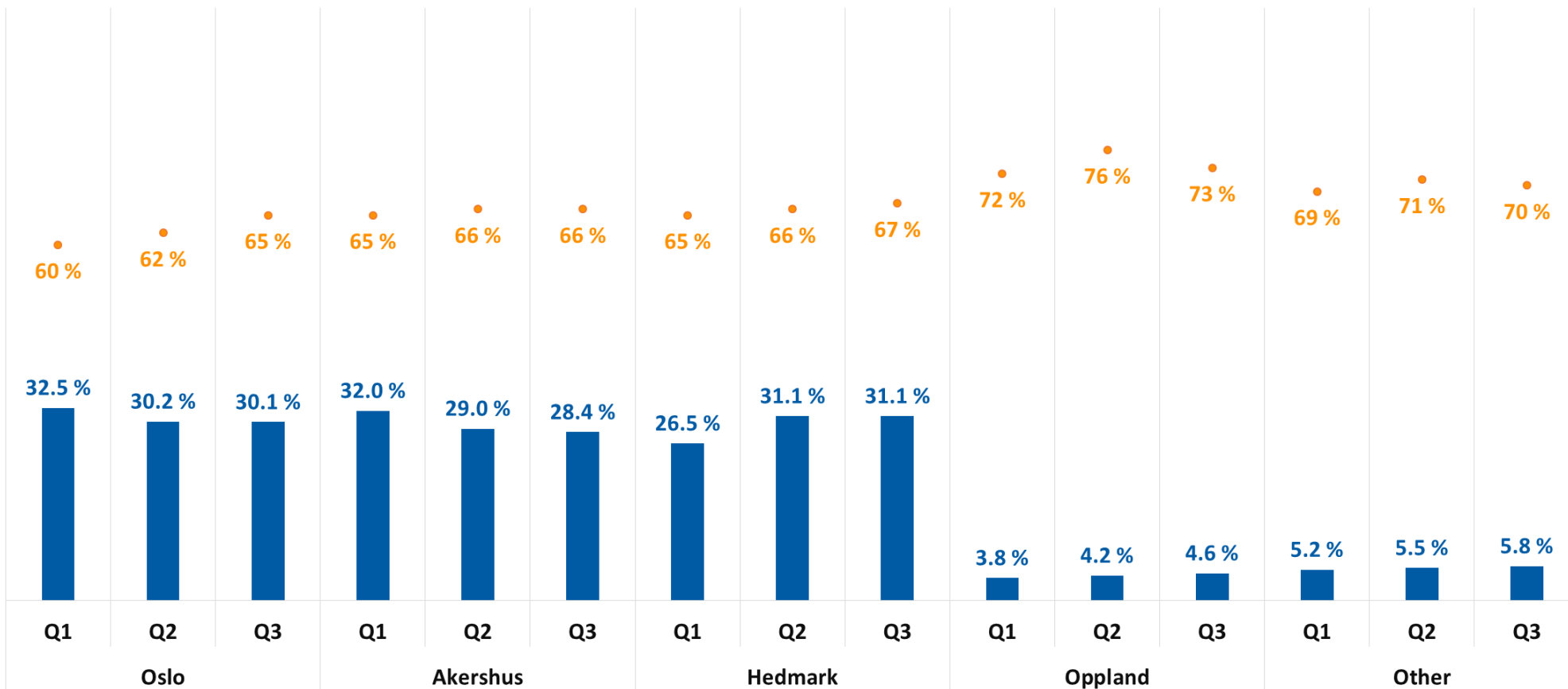


High quality credit process

New loans with average LTV per quarter in 2017

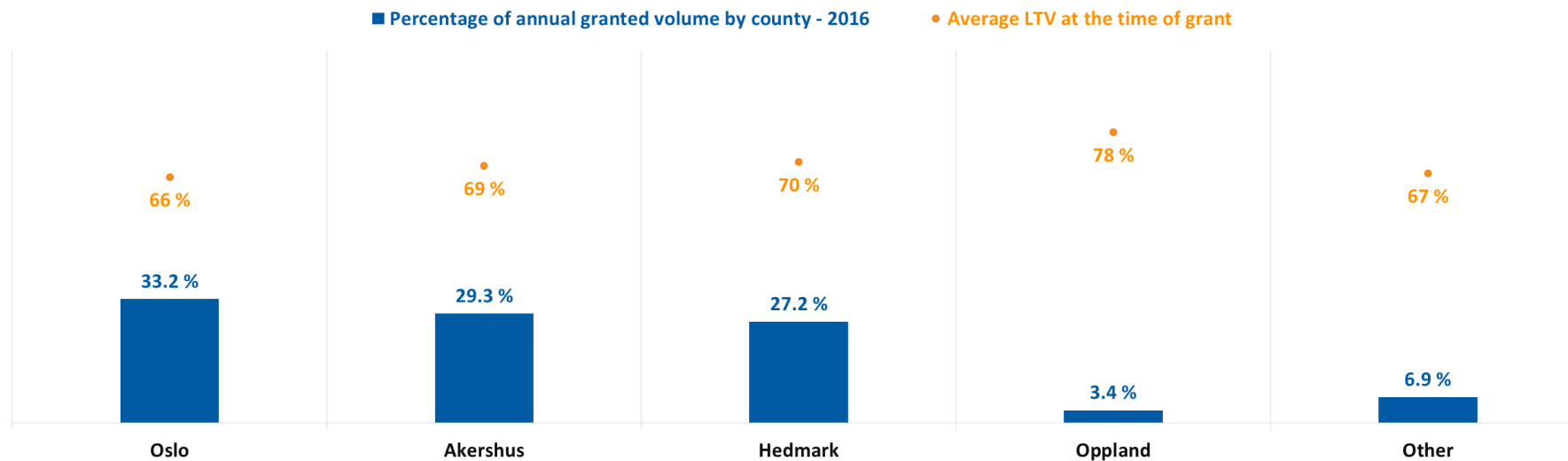
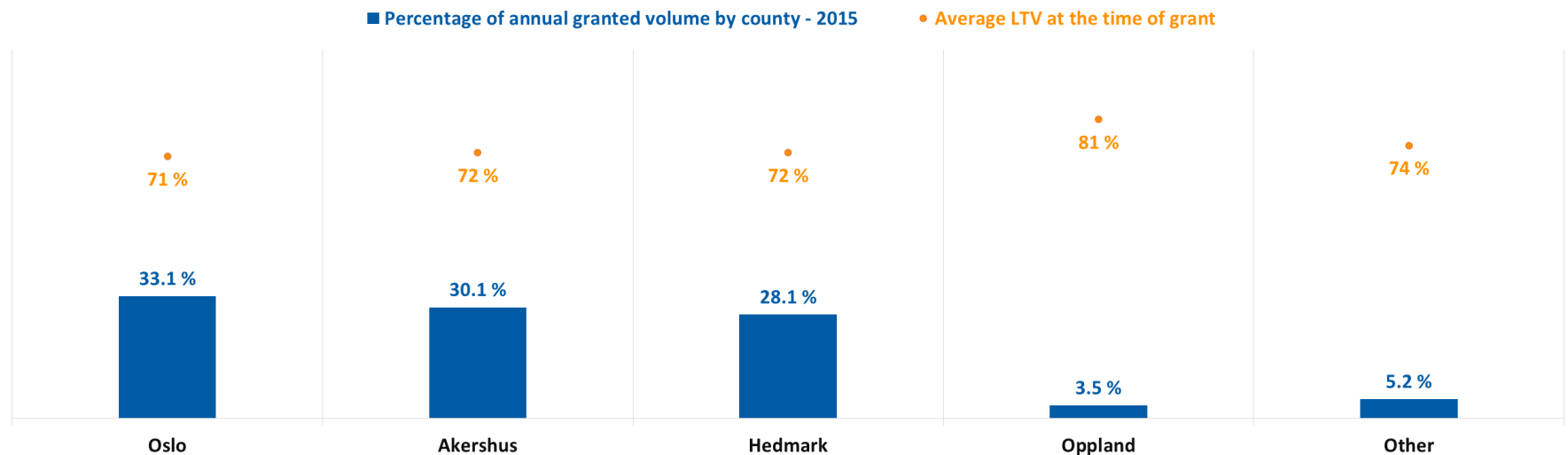
■ Percentage of quarterly granted volume by county - 2017

• Average LTV at the time of grant



High quality credit process

New loans with average LTV per county in 2015 and 2016



- Loan to value: 85% (75% legal limit for cover pool).
- Flexible repayment mortgages and secondary housing in Oslo: Max 60% LTV
- 5% mortgage interest rate increase as stress test
- High risk weighting for banks for mortgage lending (20-25%)
- Maximum 5x debt / gross income for borrowers
- 10% exceptions possible, special regulation for Oslo (8 %)
 - Exceptions quota

Use of exceptions quota in Q3 2017

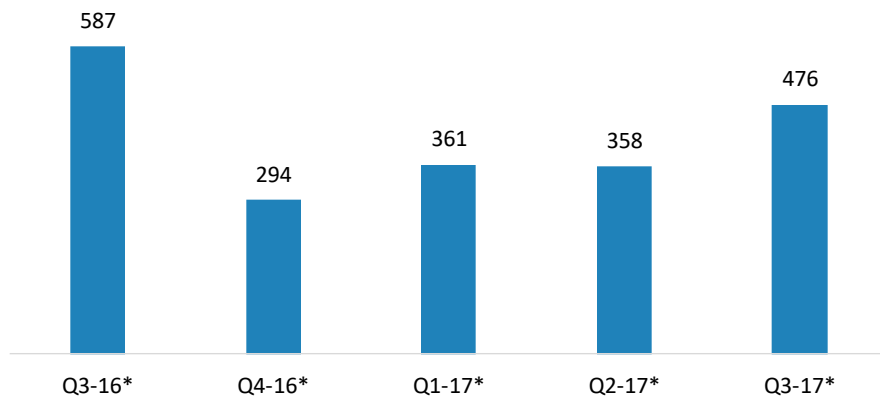
New mortgages in Oslo
“Considerable headroom”

New mortgages in other areas
“Considerable headroom”

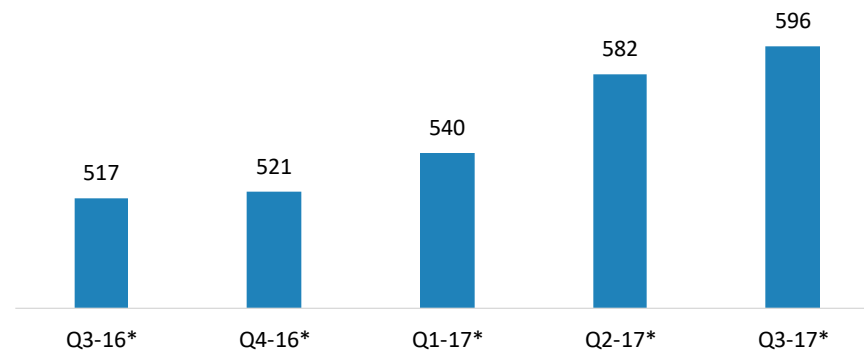
Key financials - quarterly

(1)

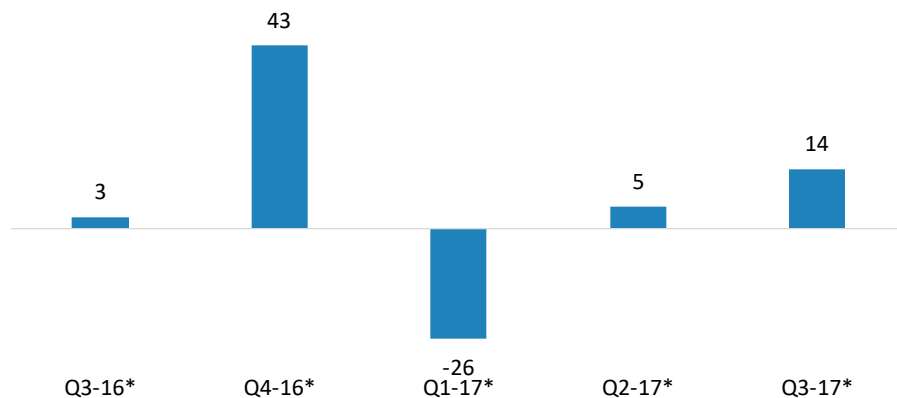
Profit/loss before tax (MNOK)



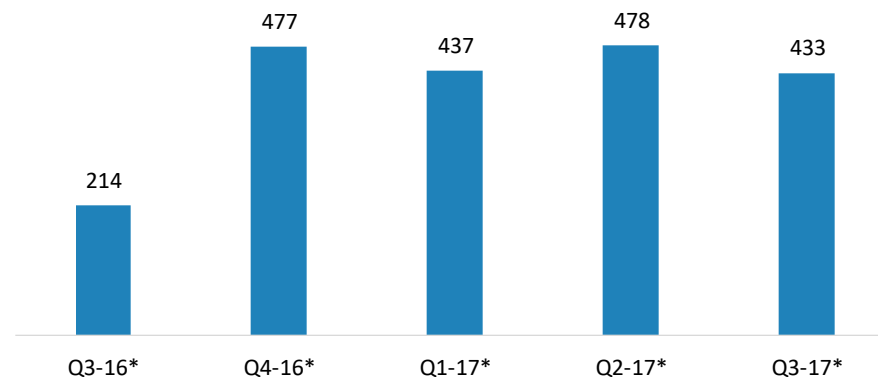
Net interest income and commission fees from covered bond companies (MNOK)



Losses on loans and guarantees (MNOK)



Total operating costs

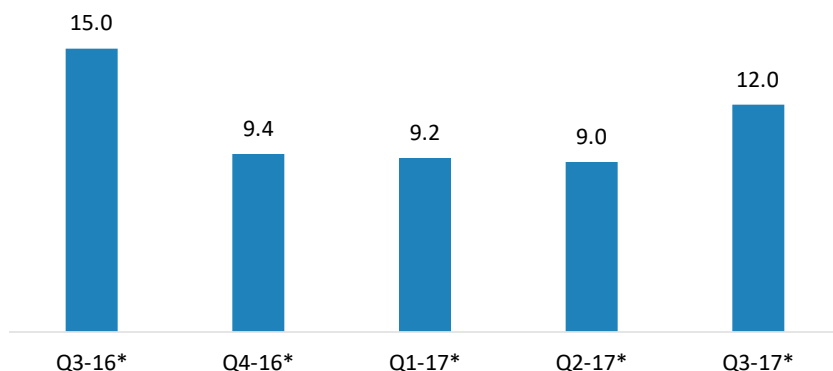


*) Includes 100 % ownership of Bank 1 Oslo Akershus

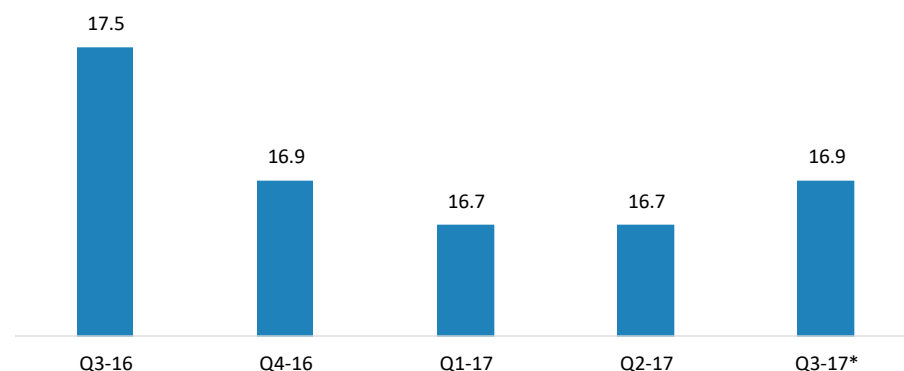
Key financials - quarterly

(2)

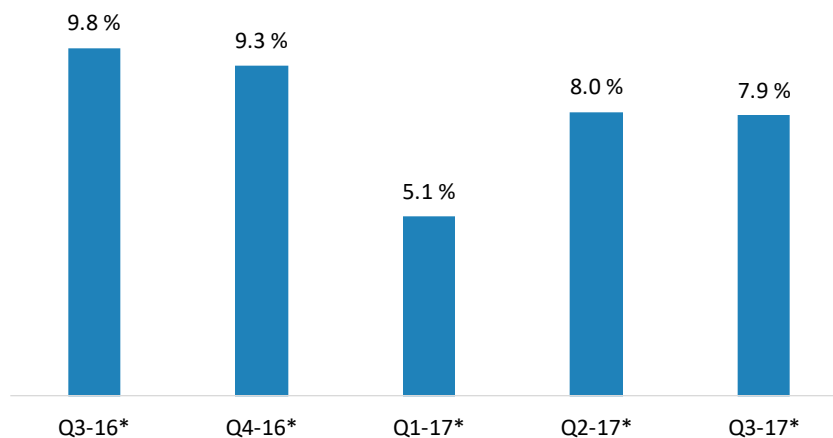
Return on equity after tax (%)



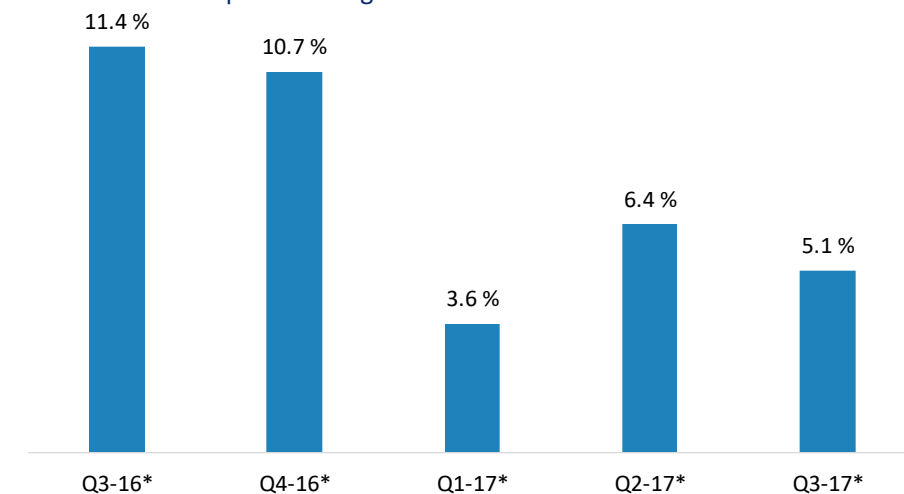
Common equity Tier 1 capital ratio (%)



Growth in loans during the last 12 months



Growth in deposits during the last 12 months



*) Includes 100 % ownership of Bank 1 Oslo Akershus

Income statement 3rd quarter 2017

Group

| | Q3-2017 | Q3-2016 | 30.09.2017 | 30.09.2016 |
|---|------------|------------|--------------|--------------|
| Net interest income | 498 | 442 | 1,454 | 1,038 |
| Net commission income | 283 | 272 | 809 | 507 |
| Other income | 42 | 37 | 140 | 137 |
| Total operating expenses | 433 | 214 | 1,348 | 727 |
| Result bank operation before losses | 390 | 537 | 1,055 | 955 |
| Losses on loans and guarantees | 14 | 1 | -7 | 33 |
| Result bank operation after losses | 376 | 536 | 1,062 | 923 |
| Dividends | 0 | 1 | 11 | 46 |
| Net profit from ownership interest | 82 | 21 | 118 | 187 |
| Net income from financial assets/liabilities | 19 | 30 | 6 | -79 |
| Profit/loss before tax | 476 | 588 | 1,195 | 1,077 |
| Tax charge | 99 | 163 | 270 | 258 |
| Profit/loss after tax | 376 | 424 | 926 | 819 |
| Return on equity capital after tax | 12.0 % | 15.0 % | 10.1 % | 10.7 % |
| Total operating costs in relation to total income | 46.9 % | 26.6 % | 53.1 % | 39.6 % |
| Losses on loans as a percentage of gross loans | 0.1 % | 0.0 % | 0.0 % | 0.1 % |

Income statement 2017 vs pro forma income statement 2016

| | Q3-2017 | Q3-2016 | 30.09.2017 | Adjusted 30.09.2016 |
|---|------------|------------|--------------|------------------------|
| Net interest income | 498 | 442 | 1,454 | 1,286 |
| Net commission income | 283 | 272 | 809 | 788 |
| Other income | 42 | 37 | 140 | 146 |
| Total operating expenses | 433 | 214 | 1,348 | 1,096 |
| Result bank operation before losses | 390 | 537 | 1,055 | 1,124 |
| Losses on loans and guarantees | 15 | 1 | -7 | 43 |
| Result bank operation after losses | 376 | 536 | 1,062 | 1,081 |
| Dividends | 0 | 1 | 11 | 77 |
| Net profit from ownership interest | 82 | 21 | 118 | 139 |
| Net income from financial assets/liabilities | 19 | 30 | 6 | -75 |
| Profit/loss before tax | 476 | 588 | 1,195 | 1,222 |
| Tax charge | 99 | 163 | 270 | 299 |
| Profit/loss after tax | 377 | 424 | 926 | 923 |
| Return on equity capital after tax | 12.0 % | | 10.1 % | |
| Total operating costs in relation to total income | 46.9 % | | 53.1 % | |
| Losses on loans as a percentage of gross loans | 0.0 % | | 0.0 % | |



SpareBank 1 Finans Østlandet

- Profit before tax 121 MNOK
- Growth and increasing profitability



EiendomsMegler 1 Hedmark

- Profit before tax 20 MNOK
- Central market player and increasing profitability



EiendomsMegler 1 Oslo Akershus

- Profit before tax – 1 MNOK
- Central market player, but unsatisfactory performance
- New management



SpareBank 1 Regnskaphuset

- Profit before tax 1 MNOK
- Consolidation phase with strong focus on automation and robotisation



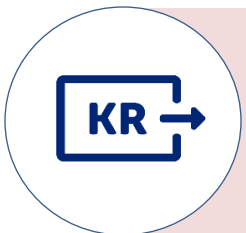
SpareBank 1 Gruppen

- Profit before tax 1 437 MNOK
- ROE after tax 19.4 %
- Ownership 12.4 %



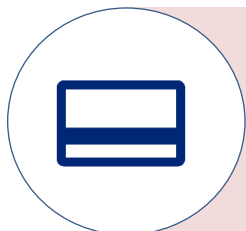
SpareBank 1 Boligkreditt AS

- Profit before tax – 183 MNOK
- Ownership 20.3 %



SpareBank 1 Næringskreditt

- Profit before tax 67 MNOK
- Ownership 9.2 %

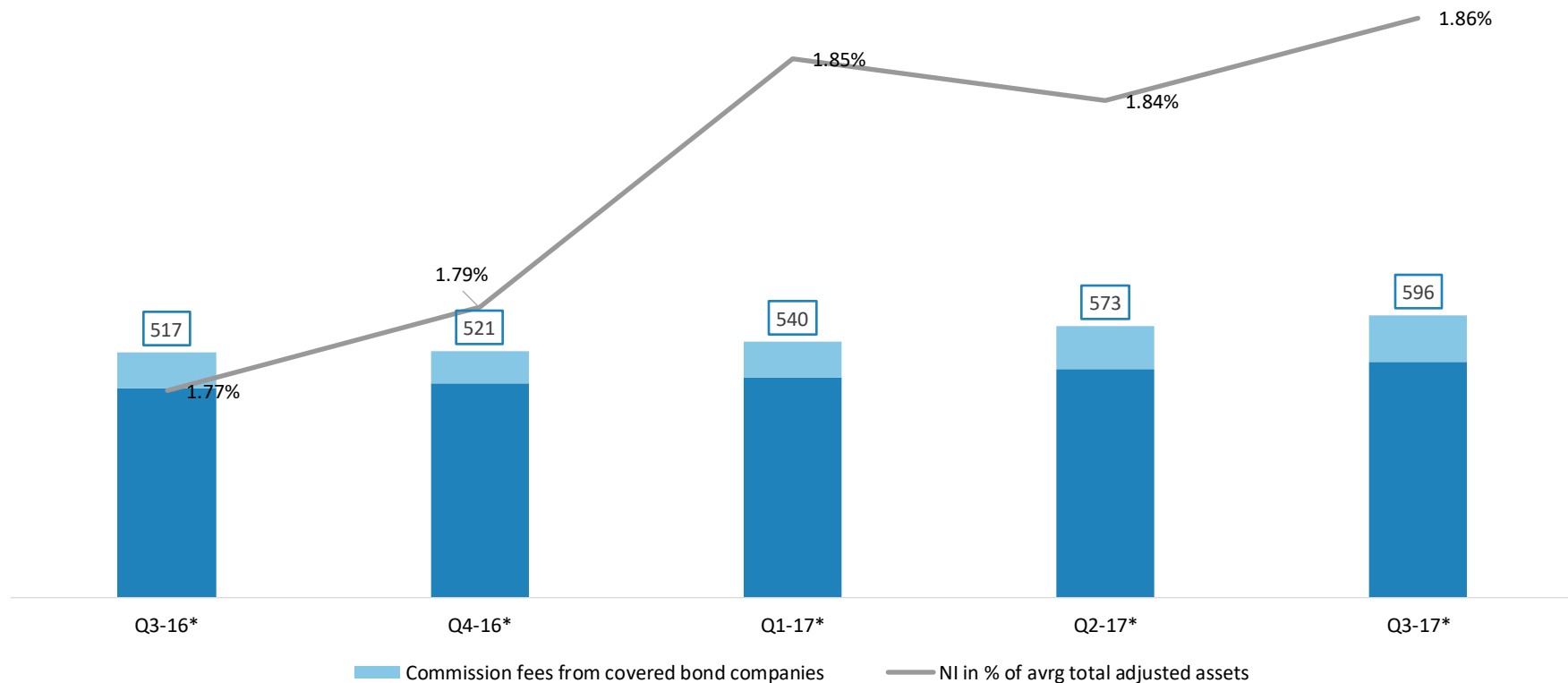


SpareBank 1 Kredittkort

- Profit before tax 78 MNOK
- Ownership 19.6 %

Net interest income

Net interest income group incl. Commission from covered bond companies (MNOK)



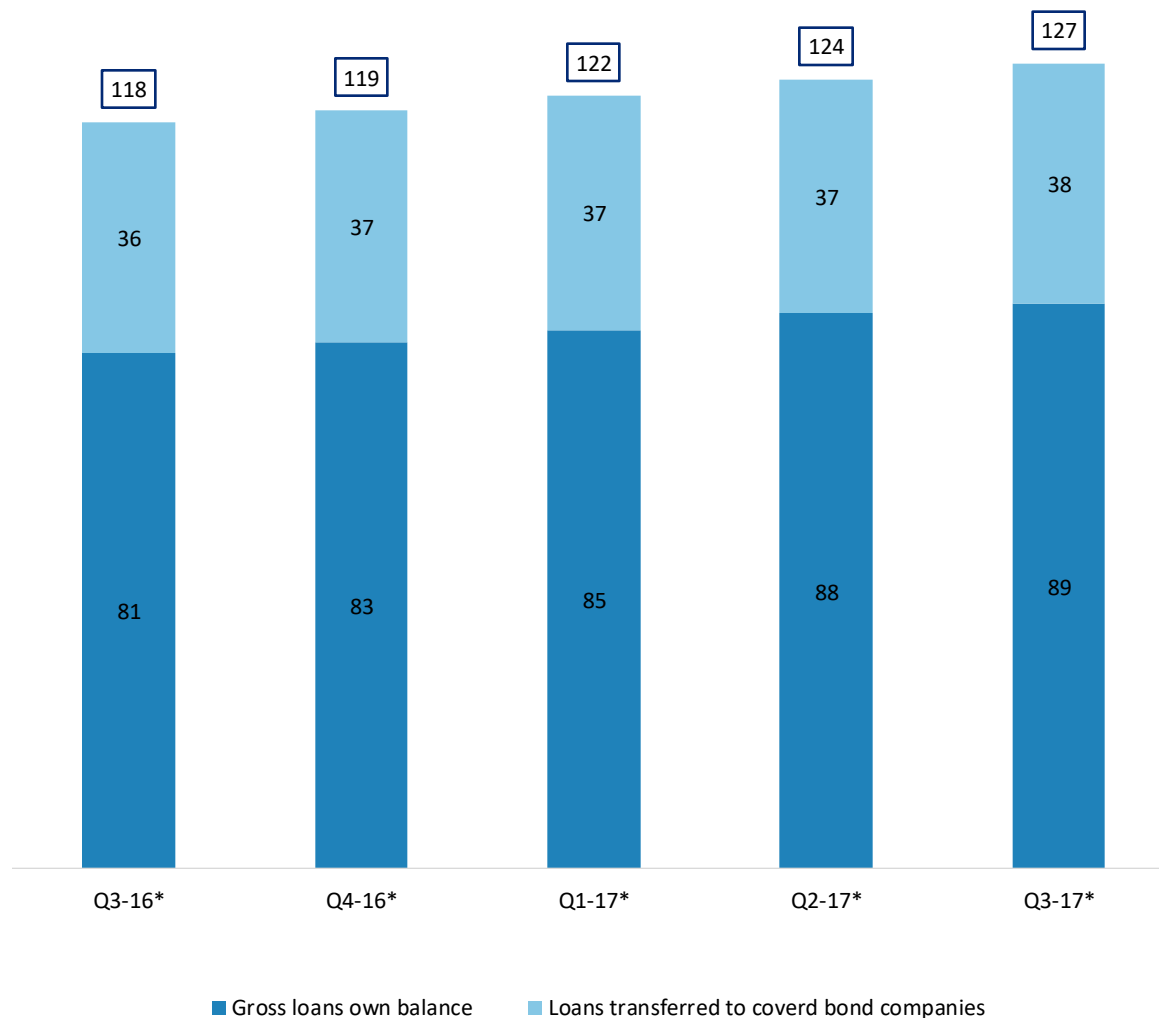
*) From Q3-16 include net interest income, commission income and the balance sheet of Bank 1 Oslo Akershus. Q2-16 only includes the balance sheet.

**) Deviates 9 MNOK from earlier reported numbers due to reposting against payment transmission

Loan volumes

Total loans incl loans transferred to covered bond companies, NOK bn.

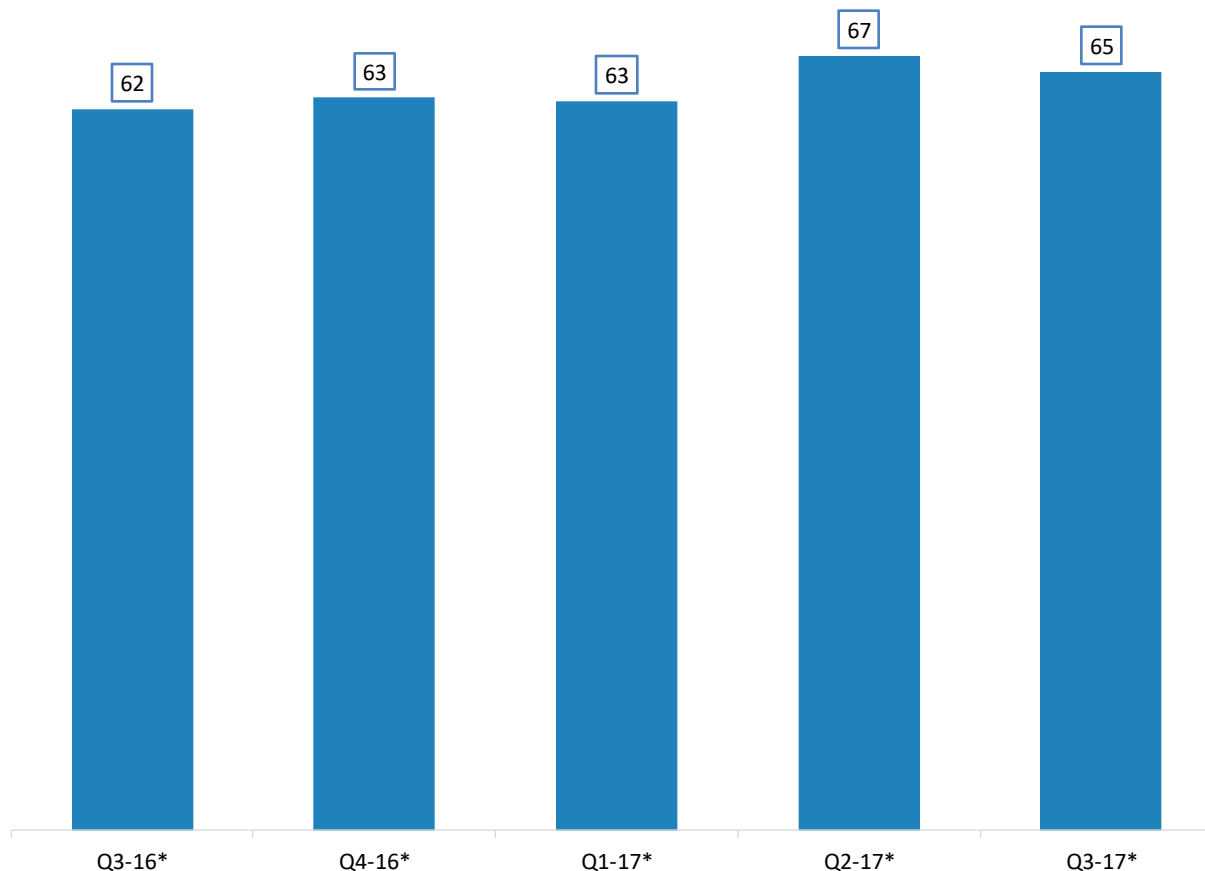
- Lending growth last 12 months 7.9 %
 - Retail 8.3 %
 - Corporate 6.5 %



Deposits volume

Deposits NOK bn.

- Deposit growth last 12 months 5.1 %
 - Retail 9.1 %
 - Corporate -3.2 %
- Deposit to loan ratio 73.4 %
- Deposit to loan ratio including transferred loans 51.4 %

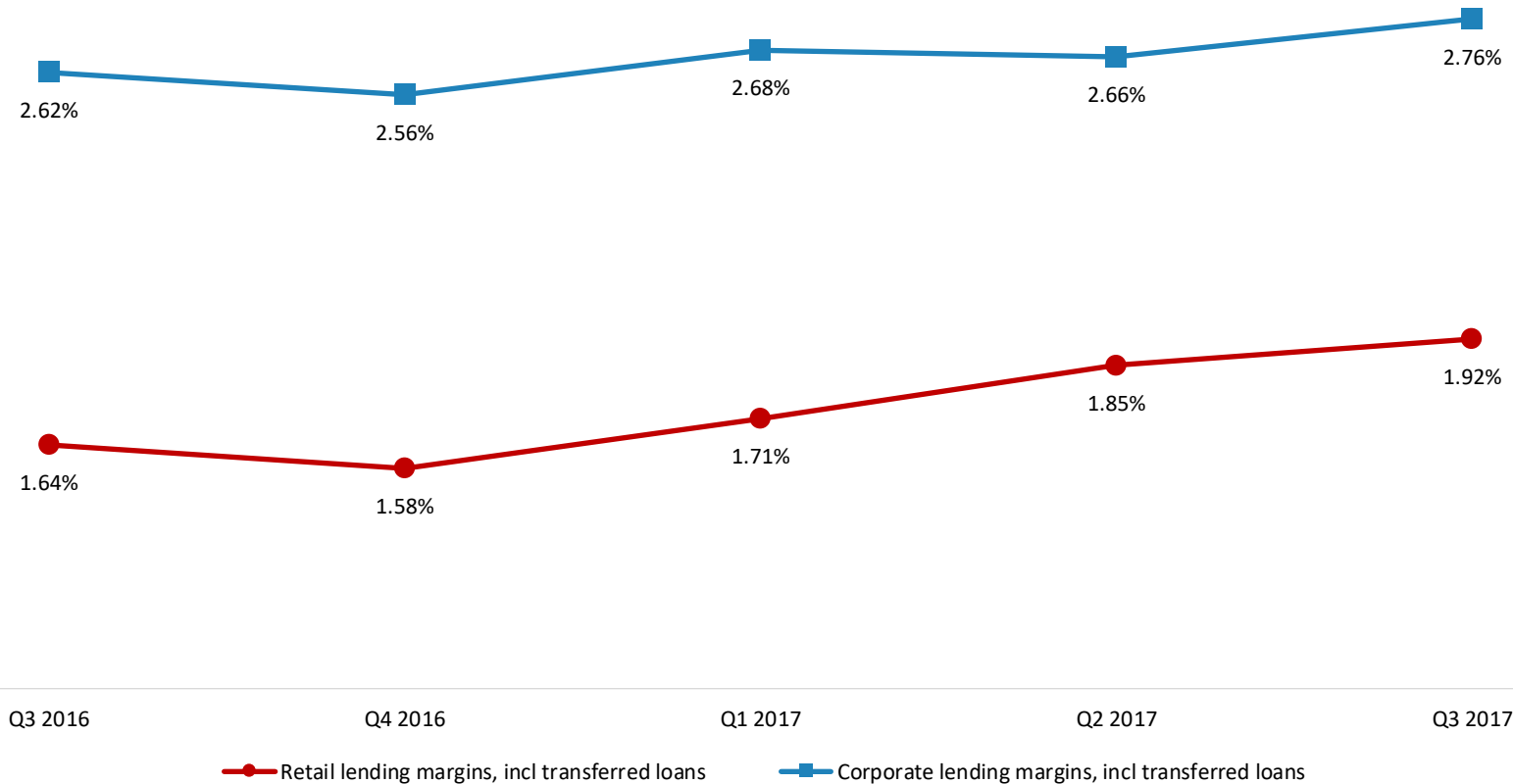


*) Includes 100 % ownership of Bank 1 Oslo Akershus

**) Include loans transferred to the covered bond companies

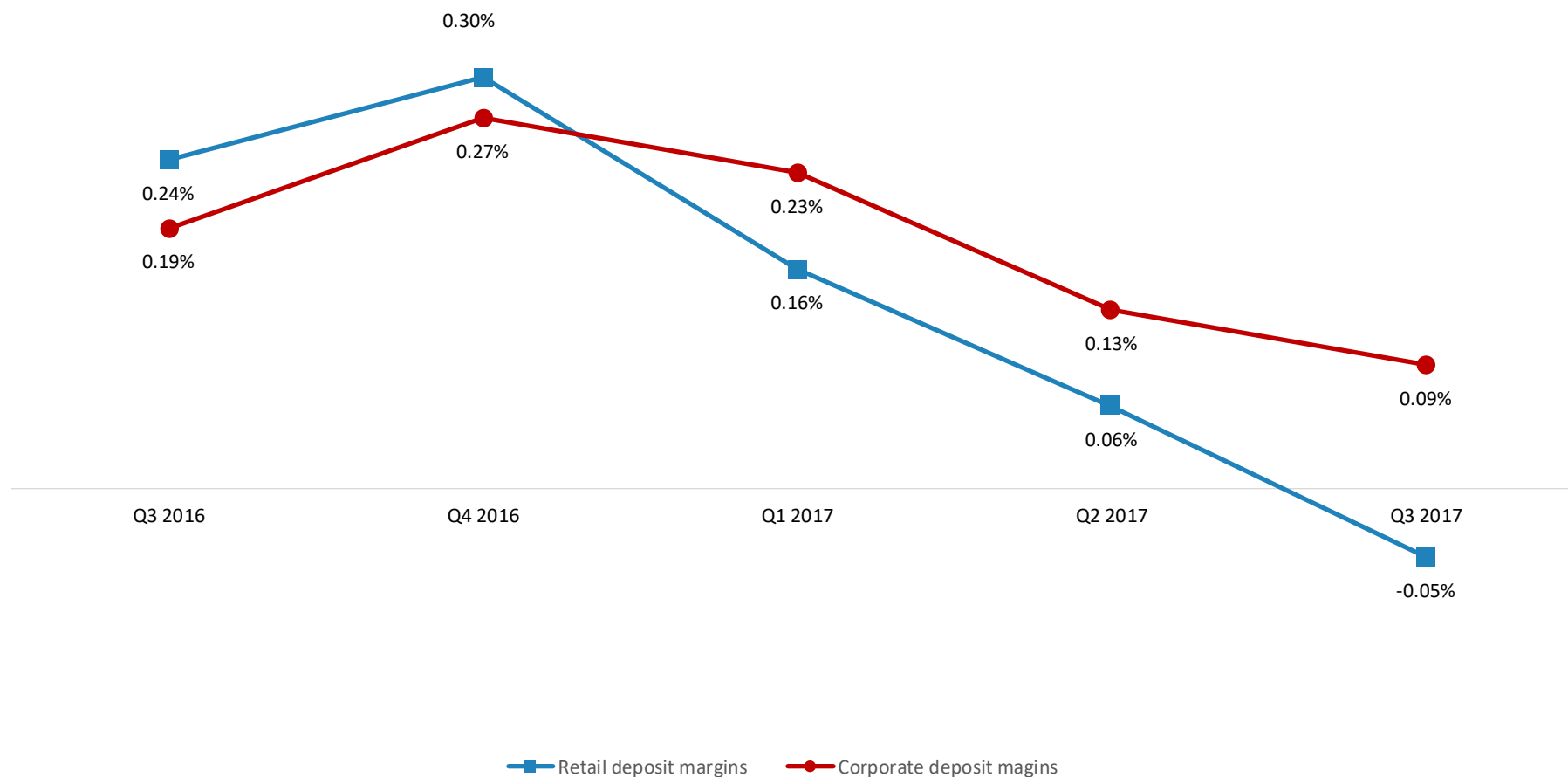
Lending margins (parent bank)

Retail and corporate lending margins, incl transferred loans *



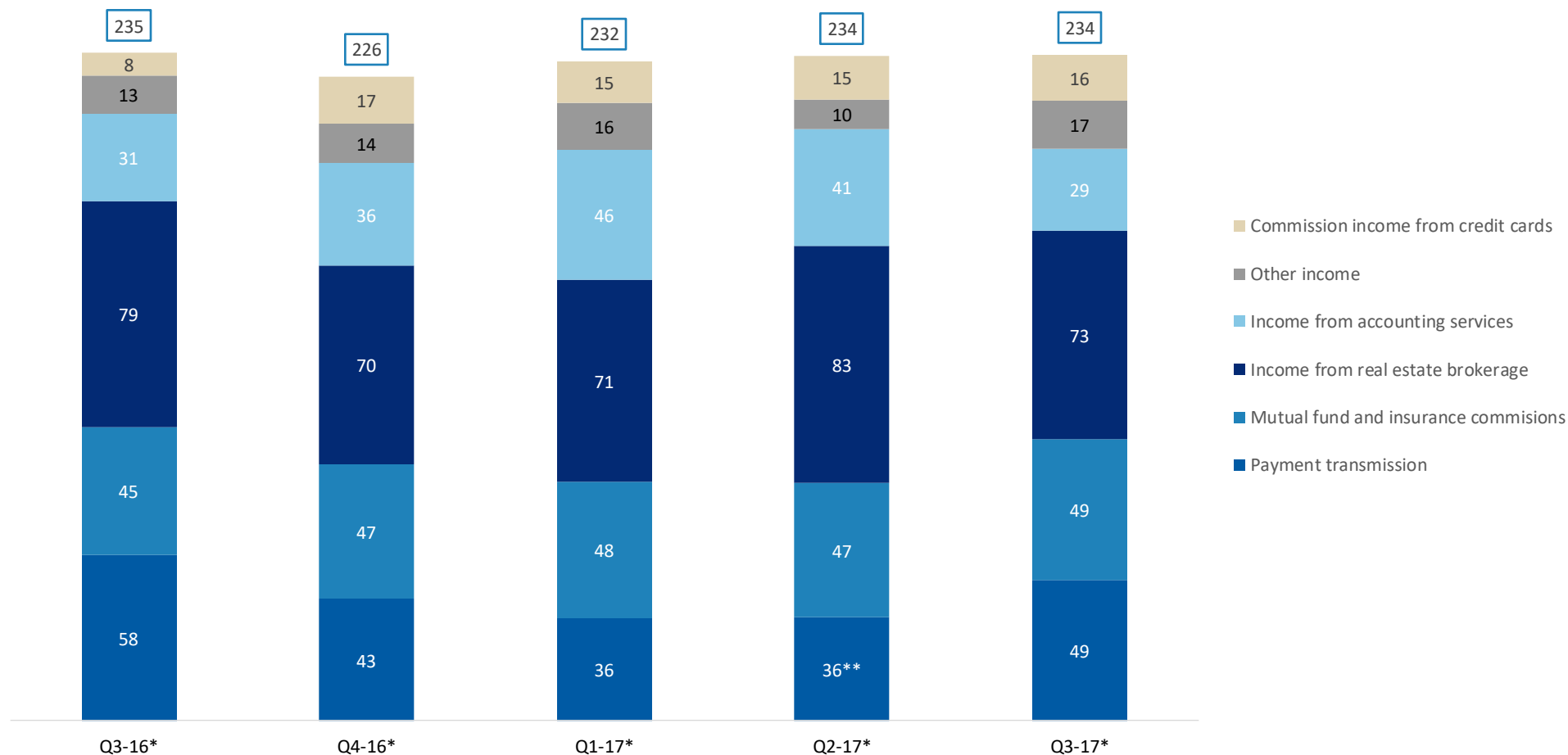
Deposit margins (parent bank)

Retail and corporate deposits margins % *



Net commission and other income

Commission and other income, by type. MNOK *

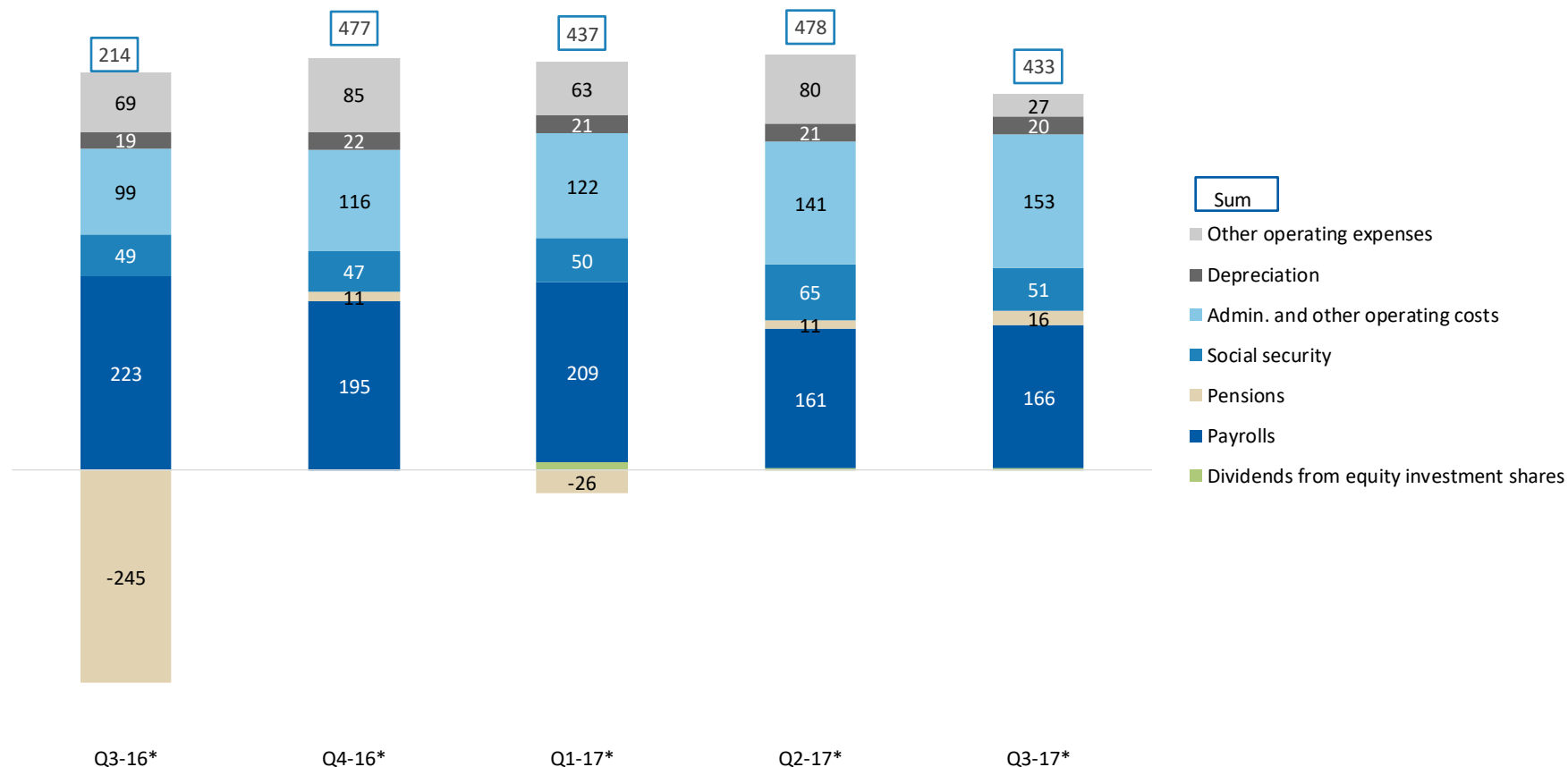


*) Includes 100 % ownership of Bank 1 Oslo Akershus

**) Deviates 9 MNOK from earlier reported numbers due to reposting against payment transmission

Operating expenses

Operating expenses, by type. MNOK *)



- The costs this year are characterized by special circumstances
 - MNOK 31 has been expensed in connection with the listing of the company, of which MNOK 14 relates to a private placement on new ECCs towards the employees of the bank.
 - MNOK 34 are expenses connected to the merger process, with MNOK 12 due to severance pay.
 - Bank 1 Oslo Akershus posted a gain of MNOK 53 in 1Q-2017 when discontinuing the bank's defined benefit pension scheme.
 - A recalculation of pension costs in Sparebanken Hedmark for 2016 resulted in an expense of MNOK 12 in 1Q-2017.
- The newly imposed financial tax led to a cost increase of 20 MNOK in 2017 YTD.

Status

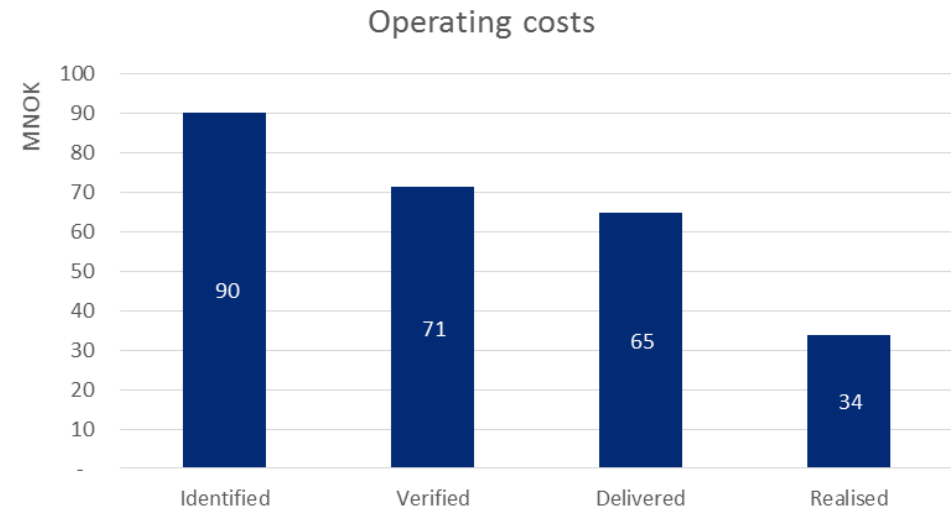
- Technical merger completed successfully

Synergies

- Target of at least 75 MNOKs annually maintained
- Identified merger synergies increased
- Targeted head count reduction following the technical merger of 20 FTEs (“identified”)
 - In addition to a reduced head count of 43 FTEs in the parent bank (pro forma) last 12 months

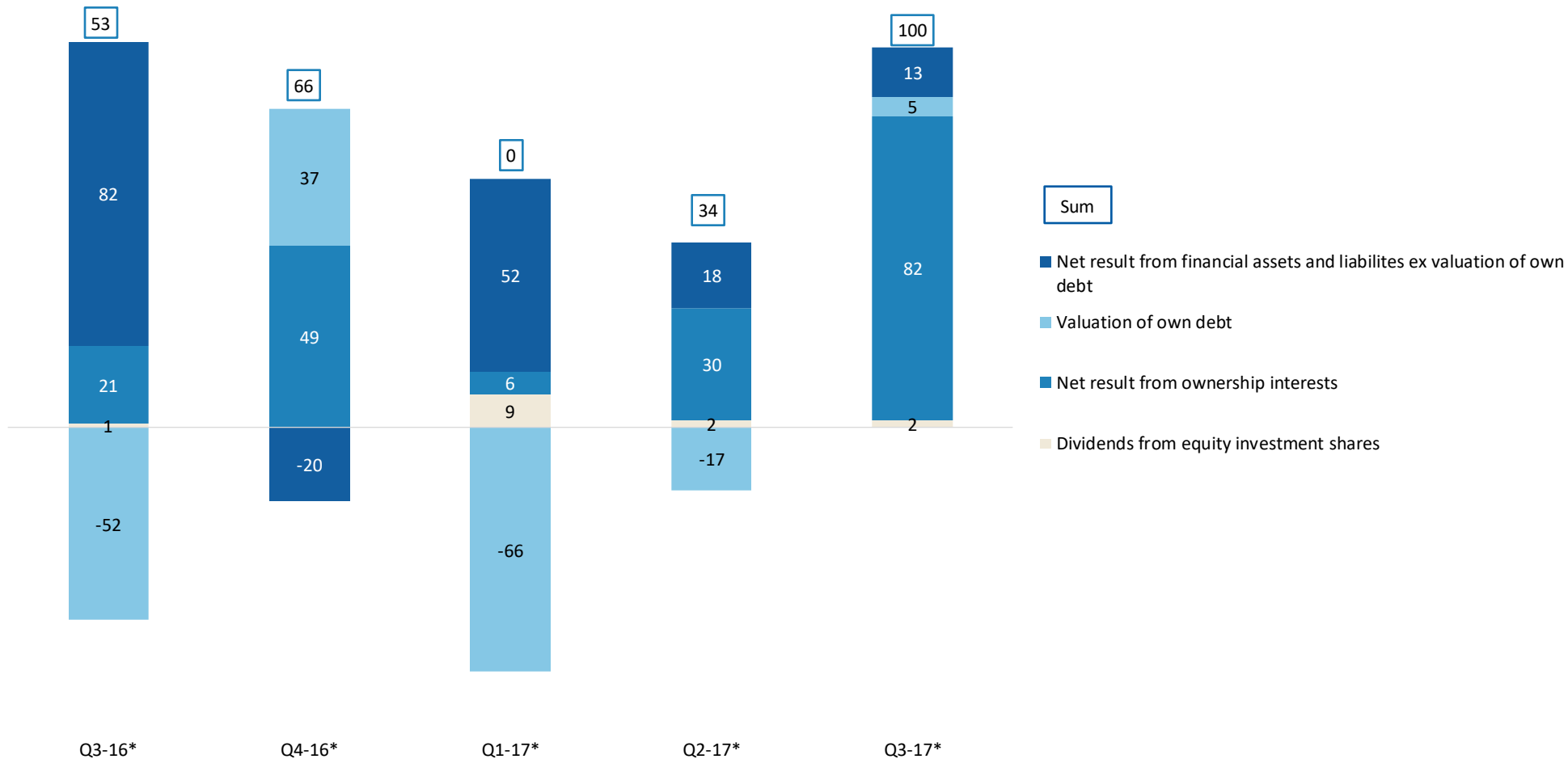
Restructuring costs

- Estimate of 100 MNOK in integration costs is maintained
 - Estimated 70/30 MNOK in 2017/2018
- Integration cost YTD at 34 MNOK (group)



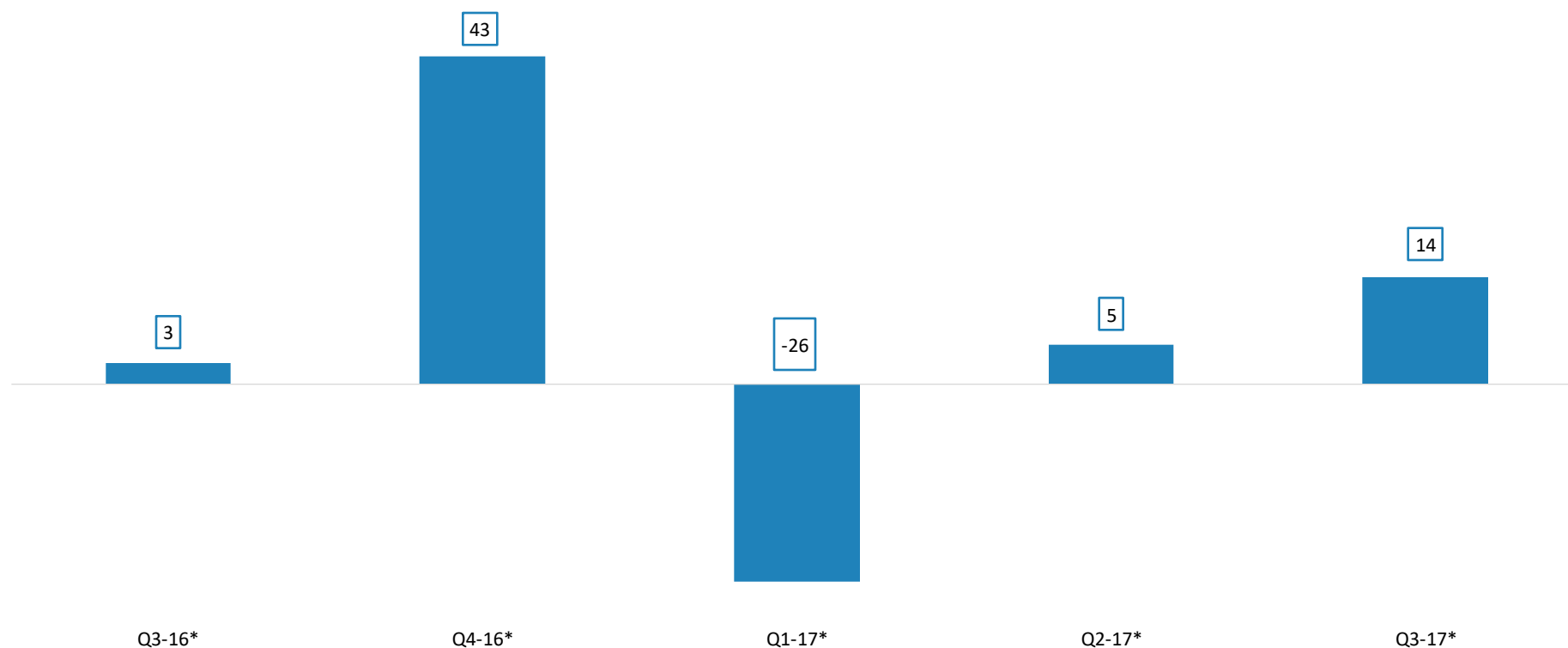
Financial assets and liabilities

Net income from financial assets and liabilities, by types. MNOK *



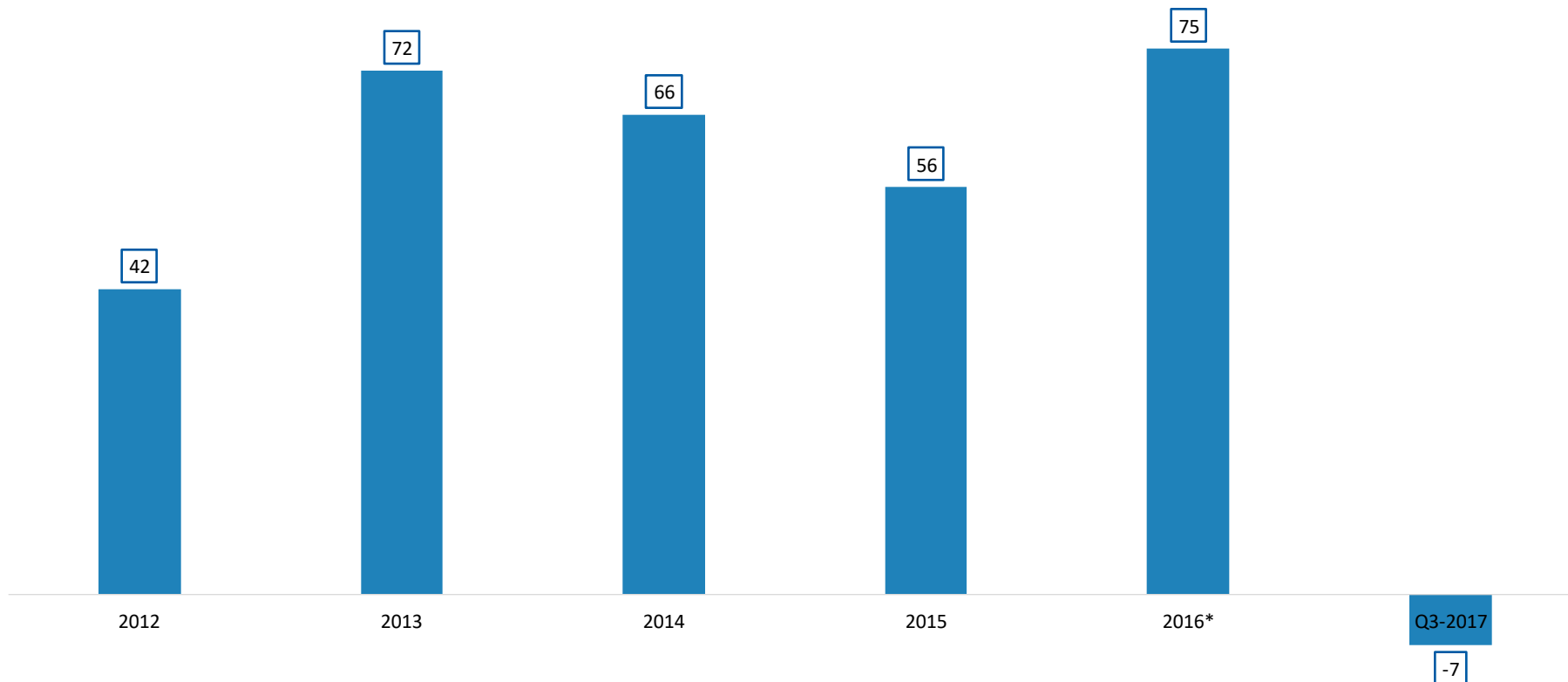
Losses

Losses on loans and guarantees. Quarterly. MNOK. *



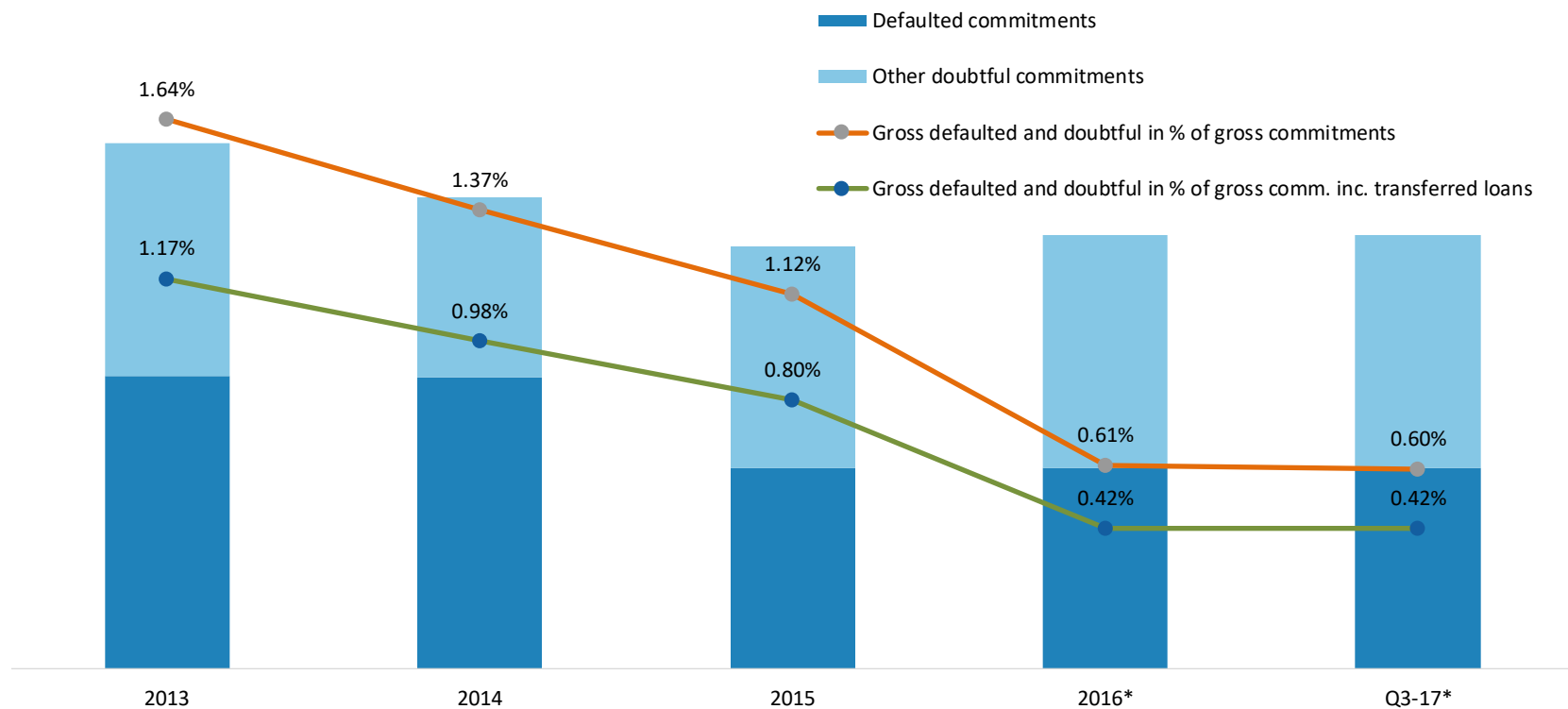
Losses

Losses on loans and guarantees. Annual. MNOK*



Problem loans

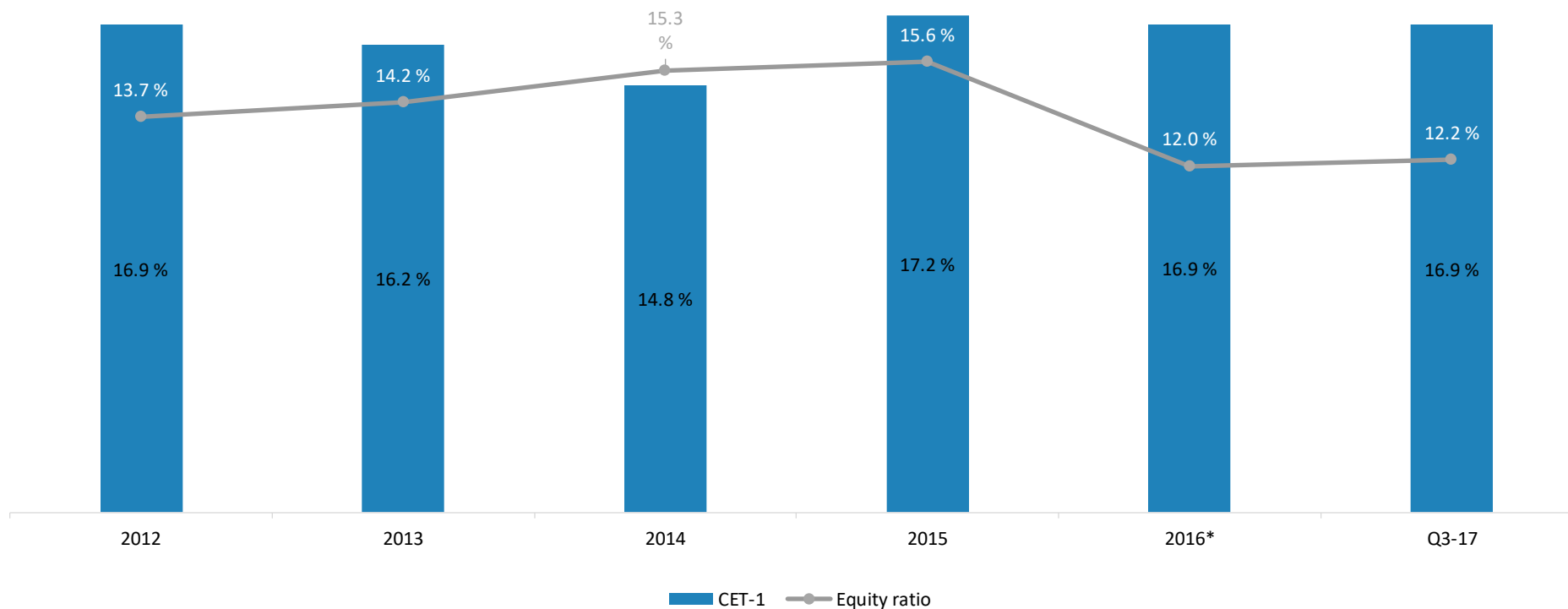
Defaulted and other doubtful commitments* (MNOK)



Financial strength and capital adequacy

SpareBank 1 Østlandet (Group) i %

Leverage ratio as at 30.09.17: 7.3 %



Attachments

- Due to the acquisition, comparisons between previous years' income statements and balance sheets are less informative.
- The income statement of Bank 1 Oslo Akershus AS for H1-16 has been included in the Group's income statement in accordance with the equity method, with an ownership share of 40.5 %. The income statement includes 100 % consolidation of Bank 1's result from Q3-2016.
- The balance sheet of Bank 1 Oslo Akershus AS has been fully consolidated in the Group balance sheet per 3Q-2016.

| | 30.09.2017 |
|--------------------------------------|------------|
| EC's | |
| Market price (NOK) | 85.50 |
| Market capitalisation (NOK million) | 9,164 |
| Book equity per EC ¹⁾ | 79.29 |
| Earnings per EC, NOK ²⁾ | 5.83 |
| Price/Earnings per EC ³⁾ | 10.97 |
| Price/book equity ⁴⁾ | 1.11 |

1) Group book equity without hybrid capital with interest paid, minority interest and provision for gifts* ownership interest / number of EC's as at 30.09.2017.

2) Profit after tax for controlling interests * Equity capital certificate ratio as at 30.09.17 ex. results from Q3 / number of EC's as at 30.09.2017.

3) Market price in NOK/annualized earnings per EC.

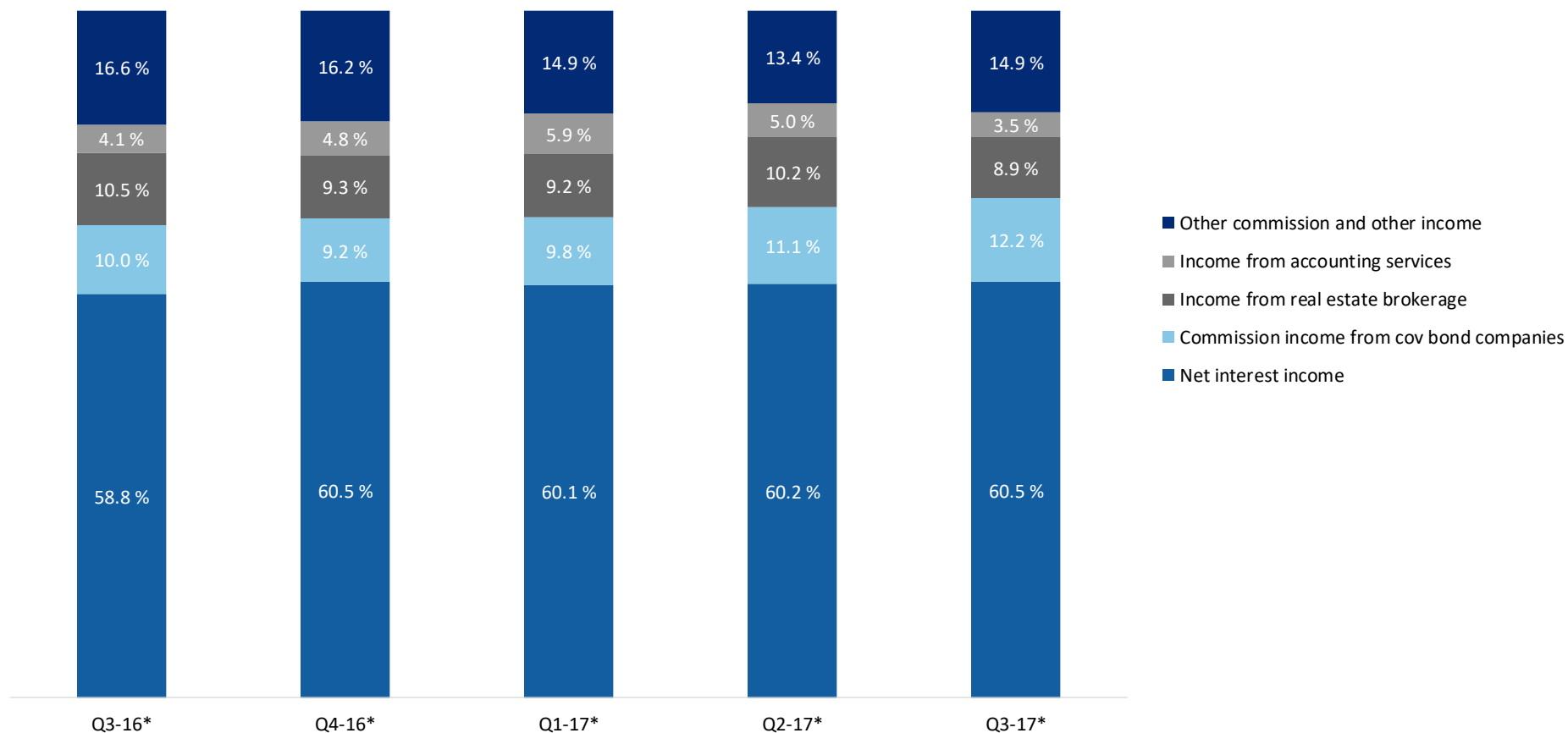
4) Market price in NOK*nu of EC's /book equity (parent bank)*equity capital certificate ratio as at 30.09.17 ex. results from Q3.

Profits from subsidiaries and joint ventures

| <i>(Nok million)</i> | 30.09.2017 | Q3-2017 | 30.09.2016 | Q3-2016 | 2016 |
|---|------------|------------|------------|------------|--------------|
| Parent Bank's profit after tax | 826 | 263 | 685 | 252 | 964 |
| Dividends received from subsidiaries and joint ventures | -243 | 0 | -263 | -7 | -389 |
| Profit /loss attributable to: | | | | | |
| SpareBank 1 Gruppen AS | 137 | 51 | 130 | 50 | 192 |
| Bank 1 Oslo Akershus AS (Q1-2017) | 119 | 0 | 165 | 94 | 250 |
| SpareBank 1 Boligkreditt AS | -34 | 9 | -2 | -14 | -23 |
| SpareBank 1 Næringskreditt AS | 1 | 0 | 1 | 0 | 2 |
| EiendomsMegler 1 Hedmark Eiendom AS | 15 | 5 | 17 | 7 | 14 |
| SpareBank 1 Finans Østlandet AS | 91 | 29 | 68 | 29 | 86 |
| SpareBank 1 Regnskapshuset Østlandet AS | 1 | -2 | 4 | 0 | 2 |
| SpareBank 1 Kredittkort AS | 12 | 4 | 13 | 6 | 17 |
| SpareBank 1 Mobilbetaling AS | 3 | 18 | -16 | -9 | -25 |
| Other companies | -1 | 3 | 18 | 13 | 12 |
| Consolidated profit after tax | 926 | 381 | 819 | 421 | 1.102 |

Group income profile

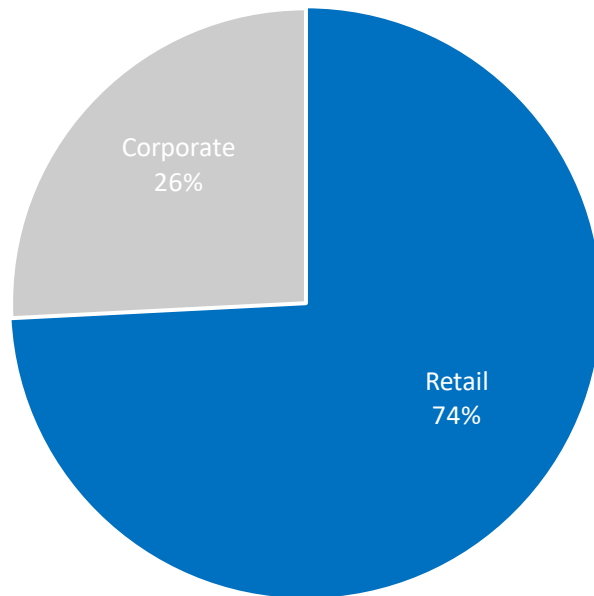
Income by types. Group



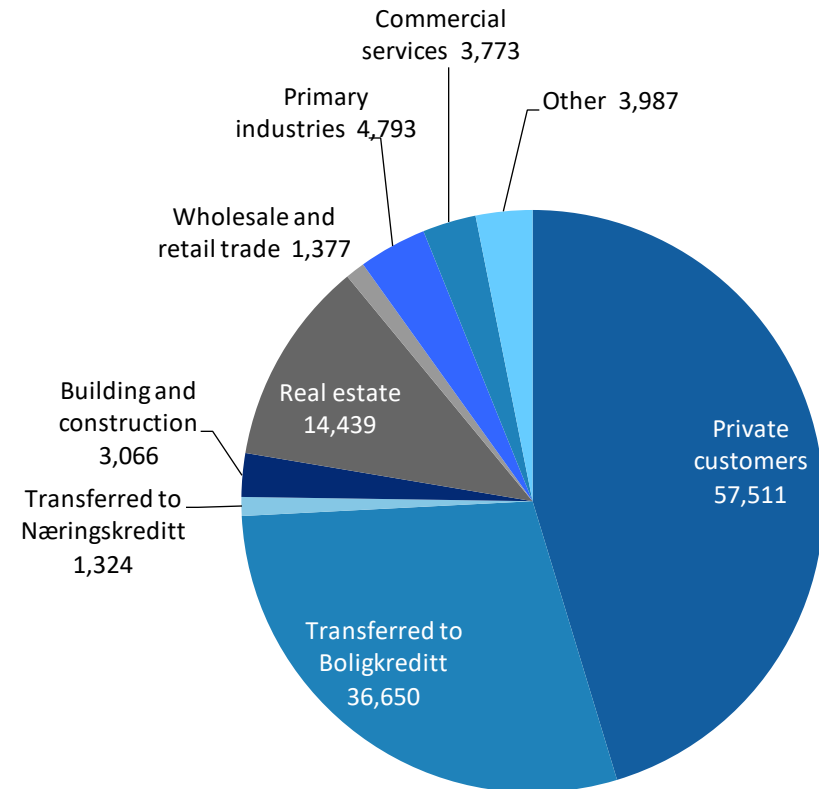
Composition of loans and receivables

Included covered bond companies

Composition of loans
%

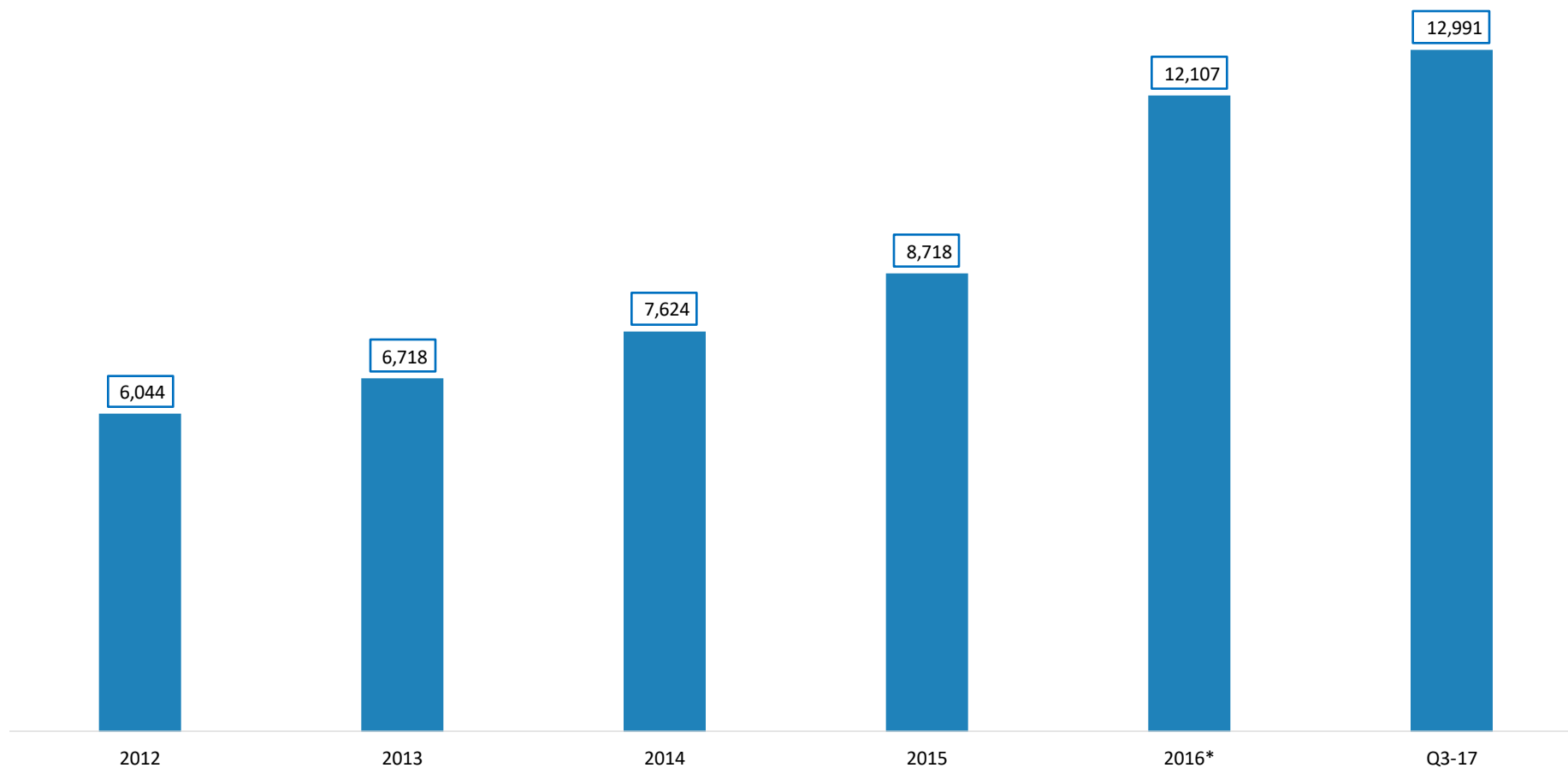


Composition of loans
MNOK



Equity capital

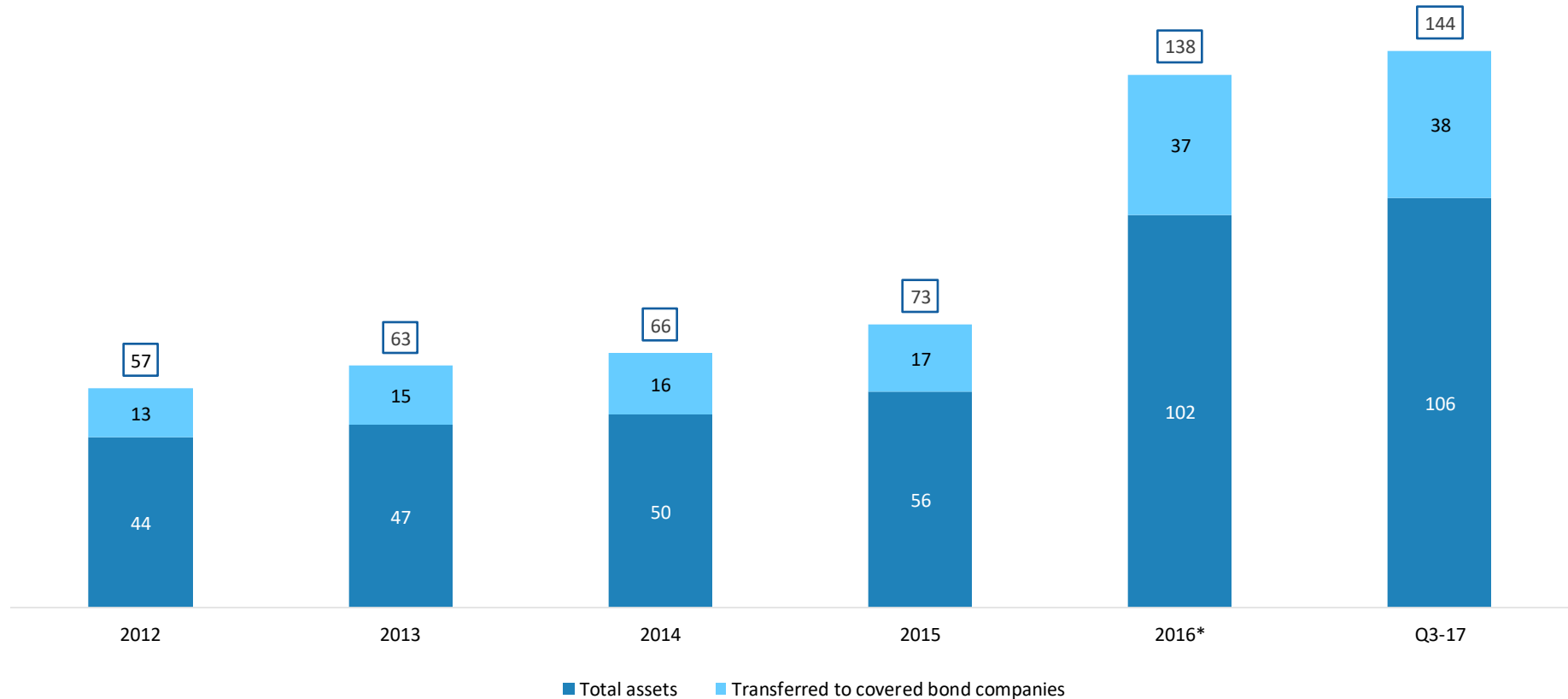
End-of-year balances. MNOK



Size of balance sheet

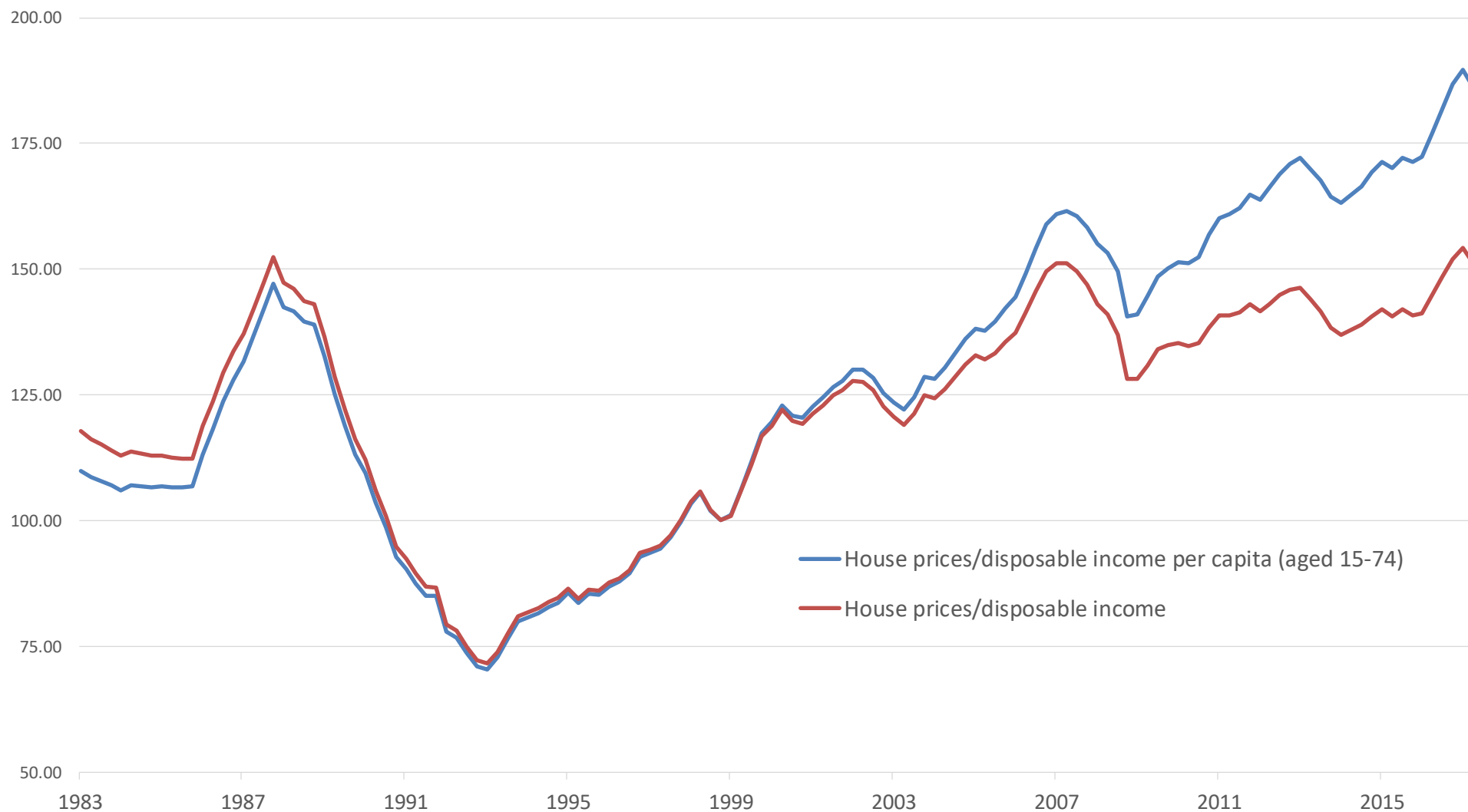
Total assets and total adjusted assets included loans transferred to covered bond companies

End-of year balance NOK bn.



Housing prices

Growth in real income counterweights housing prices



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