Introduction
A long and profitable history
Norway's fourth largest savings bank * with a broad, established customer base

<table>
<thead>
<tr>
<th>History from 1845 – known as Sparebanken Hedmark (&quot;SBHE&quot;) until 1 April 2017.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway's fourth largest savings bank * with total adjusted assets (incl. covered bonds) of NOK 147 billion.</td>
</tr>
<tr>
<td>Operations in Hedmark, Oppland, Oslo and Akershus – a market with more than 1.7 million inhabitants.</td>
</tr>
<tr>
<td>Head office in Hamar, 38 branches and 1,100 FTEs.</td>
</tr>
<tr>
<td>324,000 customers with a retail share of 74 %.</td>
</tr>
<tr>
<td>Diversified product offerings – traditional banking, leasing, accounting and real estate brokerage services.</td>
</tr>
<tr>
<td>Part of the SpareBank 1 Alliance and owns 12.4 % of SpareBank 1 Gruppen AS.</td>
</tr>
<tr>
<td>Acquired and merged Bank 1 Oslo Akershus (&quot;B1OA&quot;) – represents an attractive footprint in the capital region.</td>
</tr>
</tbody>
</table>

Sources: Annual/interim reports, SpareBank 1 Gruppen || Comments (*): Total assets on own balance sheet, plus loans transferred to SB1 Boligkreditt and SB1 Næringskreditt

3
### Hedmark
- Population: 197,000
- Market share RM: 49%
- Market share CM: 45%
- Position: market leader
- Unemployment: 1.7%

### Oppland
- Population: 189,000
- Market share RM: 4%
- Market share CM: 8%
- Position: growth market
- Unemployment: 1.6%

### Oslo
- Population: 669,000
- Market share RM: 11%
- Market share CM: 2%
- Position: growth market
- Unemployment: 2.5%

### Akershus
- Population: 610,000
- Market share RM: 7%
- Market share CM: 4%
- Position: growth market
- Unemployment: 1.9%

*) Customers who considers SpareBank 1 Østlandet as their main bank  |  Unemployment: % of workforce, registered with NAV, December 2017  |  Main bank share: TNS Gallup H1 2017, position survey
Successful merger and IPO

Targets for synergies achieved

• Acquisition of Bank 1 Oslo Akershus AS
  – Completed on 29 June 2016

• Legal merger
  – Successful legal merger 1 April 2017
  – New name SpareBank 1 Østlandet

• Stock exchange listing (SPOL)
  – SpareBank 1 Østlandet listed on 13 June 2017
  – Listing price NOK 78.00
  – Market price as of 31 December 2017 NOK 90.50
  – Market price as of 31 January 2018 NOK 94.60

• Technical merger
  – Successful implementation weekend 13-15 October 2017
  – All banking systems integrated into a common platform

• Synergies
  – Initial goal of NOK 75 million in annual cost reductions
  – Will deliver NOK 82 million with full year effect in 2018
  – Integration costs of NOK 103 million in total for the period 2016-2018.
High economic activity in the region
Stable production growth and increasing profitability

Growth in production, last 3 months and forecast for 6 months

Change in operating margin last 3 months from same period year before

Source 1: Norges Bank Regional Network 04/17  |  *) Includes Hedmark and Oppland  |  **) Includes Oslo, Akershus, Østfold and Buskerud
High capacity utilisation and low unemployment

Lower unemployment than the rest of Norway

Source 1: Thompson Reuters Stream, NAV
Source 2: Norges Bank Regional Network 04/17 | *Includes Hedmark and Oppland | **Includes Oslo, Akershus, Østfold and Buskerud
Diversified housing market – good growth around Oslo
12-month price growth – by county as of 31 December 2017

- Growth in all counties surrounding Oslo
  - Oslo - 6.2 %
  - Hedmark + 5.7 %
  - Akershus + 0.8 %
  - Oppland + 4.4 %

- Sales records in Hedmark, Akershus and Oppland in 2017

- Turnover time up in Oslo and Akershus but was down in Hedmark and Oppland.

- Number of unsold homes falling in all counties
  - Drop in inventory

Source: Eiendomsverdi – "The Norwegian Housing Market – December 2017"
Housing prices level off with high activity
House price developments for relevant areas compared with Norway

JANUARY 2018
• Nominal + 2.0 %/seasonally adjusted -0.4 %
• 12-month: -2.2 %
• High activity and drop in inventory
Low interest rates reduces debt burden

- Household debt in relation to income has doubled since 2000
- But falling interest rates have reduced effective debt burden
  - Adjusted for wage development and interest rate, monthly payments are only 50% higher than in 2000.

Source: Thompson Reuters DataStream/SpareBank 1 Østlandet

*) Based on 20-year maturity, representative loan burden and effective rate
**) Interest rates in SpareBank 1 Østlandet based on 70% LTV
ICT is the fastest growing industry in the Inland Region

- ICT is the growth winner in the Inland Region, followed by building and construction. ICT grew by 14% in the region between 2015 and 2016.

- Small and medium-sized ICT companies have the strongest growth rate, with 18% growth in revenues.

- Digital platforms are enabling companies to reach larger geographical market areas.

- New communication solutions are making it possible to utilise labour and partnerships outside the region.

- Nation wide, ICT saw a 7% decrease in the same period.
High expectations for 2018

**Increased business optimism**
- Strong growth in business revenues in Hedmark and Oppland.
- More optimistic export companies.
- One out of four companies have plans for innovation projects.
- The corporates expects increased profitability without increased staffing and investment.

**High expectations for the future**
- Eight out of ten persons believe their financial status will be the same or better in 2018 (than in 2017).
- 18-29 age group the most optimistic.
- Online shopping is increasing, Eastern Norway region the leader in Europe.
Increased optimism among businesses
- Far greater expectations of increased sales and demand than of increased staffing and investment.
- Three out of ten companies plan to implement one or more innovation projects in 2018.
- Six out of ten businesses use social media, 80% of them use it for marketing.

High expectations to the country's economy and own finances among individuals
- Eight out of ten believe their financial status will be the same or better in 2018.
- Men are 50% more optimistic than women, younger people are more optimistic than older people (18-29 versus 45+).
- Online shopping is growing in the region and is the highest in Europe, five out of ten say they plan to buy goods and services online in 2018.
Financial results
## Financial results for the fourth quarter of 2017

(Last year's figures in brackets)

<table>
<thead>
<tr>
<th>Profitable</th>
<th>Pre-tax profit in Q4-17 at NOK 422 million (NOK 294 million). Pre-tax profit in 2017 at NOK 1,618 million (NOK 1,371 million).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good return on equity</td>
<td>ROE in Q4-17 at 10.4 % (9.4 %). ROE in 2017 at 10.2 % (10.5 %).</td>
</tr>
<tr>
<td>Solid capitalization</td>
<td>CET 1 ratio 16.8 % (16.9 %). Leverage ratio at 7.1 % (7.4 %).</td>
</tr>
<tr>
<td>High lending growth</td>
<td>Lending growth of 8.4 % (incl. the covered bond companies) last 12 months (9.3 %).</td>
</tr>
<tr>
<td>Lower deposit growth</td>
<td>Deposit growth of 4.6 % in the last 12 months (10.7 %).</td>
</tr>
<tr>
<td>Net reversals on losses</td>
<td>Net reversals on losses of NOK 13 million in Q4-17, equivalent to -0.1 % of gross loans*. Net reversals on losses of NOK 20 million in 2017, equivalent to -0.02 % of gross loans.</td>
</tr>
</tbody>
</table>

*Annualised loss rate
The Group is delivering on its financial targets

**Targets and performance 2017**

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profitability</strong></td>
<td>Return on equity at least 10%</td>
<td>10.2%</td>
</tr>
<tr>
<td><strong>Dividends</strong></td>
<td>50% pay-out ratio</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Solidity</strong></td>
<td>CET 1 at 16%</td>
<td>16.8%</td>
</tr>
</tbody>
</table>
### Key financials – quarterly

(1)

#### Pre-tax profit (NOK millions)

<table>
<thead>
<tr>
<th></th>
<th>Q4-16</th>
<th>Q1-17</th>
<th>Q2-17</th>
<th>Q3-17</th>
<th>Q4-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>294</td>
<td>361</td>
<td>358</td>
<td>476</td>
<td>422</td>
</tr>
</tbody>
</table>

#### Losses on loans and guarantees (NOK millions)

<table>
<thead>
<tr>
<th></th>
<th>Q4-16</th>
<th>Q1-17</th>
<th>Q2-17</th>
<th>Q3-17</th>
<th>Q4-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss</td>
<td>44</td>
<td>-26</td>
<td>5</td>
<td>14</td>
<td>-13</td>
</tr>
</tbody>
</table>

#### Total operating costs (NOK millions)

<table>
<thead>
<tr>
<th></th>
<th>Q4-16</th>
<th>Q1-17</th>
<th>Q2-17</th>
<th>Q3-17</th>
<th>Q4-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs</td>
<td>477</td>
<td>437</td>
<td>478</td>
<td>433</td>
<td>550</td>
</tr>
</tbody>
</table>

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#### Net interest income and commission fees from the covered bond companies (NOK millions)

<table>
<thead>
<tr>
<th></th>
<th>Q4-16</th>
<th>Q1-17</th>
<th>Q2-17</th>
<th>Q3-17</th>
<th>Q4-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees</td>
<td>521</td>
<td>540</td>
<td>573</td>
<td>598</td>
<td>611</td>
</tr>
</tbody>
</table>
Key financials – quarterly

Return on equity (%)

Q4-16  Q1-17  Q2-17  Q3-17  Q4-17
9.4%   9.2%   9.0%   12.0%  10.4%

Lending growth 12 months (incl. covered bond companies)

Q4-16  Q1-17  Q2-17  Q3-17  Q4-17
9.3%   5.1%   8.0%   7.9%   8.4%

Core equity tier 1 capital ratio (%)

Q4-16  Q1-17  Q2-17  Q3-17  Q4-17
16.9%  16.7%  16.7%  16.9%  16.8%

Deposit growth 12 months

Q4-16  Q1-17  Q2-17  Q3-17  Q4-17
10.7%  3.6%   6.4%   5.1%   4.6%
## Income statement Q4-2017

### Group

<table>
<thead>
<tr>
<th></th>
<th>Q4-2017</th>
<th>Q4-2016</th>
<th>2017</th>
<th>2016*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>501</td>
<td>452</td>
<td>1,956</td>
<td>1,490</td>
</tr>
<tr>
<td>Net commissions</td>
<td>285</td>
<td>252</td>
<td>1,095</td>
<td>759</td>
</tr>
<tr>
<td>Other operating income</td>
<td>29</td>
<td>43</td>
<td>168</td>
<td>180</td>
</tr>
<tr>
<td>Total operating costs</td>
<td>550</td>
<td>477</td>
<td>1,898</td>
<td>1,203</td>
</tr>
<tr>
<td><strong>Profit banking operations before losses</strong></td>
<td>265</td>
<td>270</td>
<td>1,321</td>
<td>1,226</td>
</tr>
<tr>
<td>Net losses and write-downs</td>
<td>-13</td>
<td>43</td>
<td>-20</td>
<td>75</td>
</tr>
<tr>
<td><strong>Profit banking operations after losses and write-downs</strong></td>
<td>278</td>
<td>227</td>
<td>1,341</td>
<td>1,151</td>
</tr>
<tr>
<td>Dividends</td>
<td>0</td>
<td>0</td>
<td>11</td>
<td>46</td>
</tr>
<tr>
<td>Net result from ownership interests</td>
<td>77</td>
<td>49</td>
<td>194</td>
<td>236</td>
</tr>
<tr>
<td>Net result from financial assets and liabilities</td>
<td>67</td>
<td>17</td>
<td>72</td>
<td>-62</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>422</td>
<td>294</td>
<td>1,618</td>
<td>1,371</td>
</tr>
<tr>
<td>Taxes</td>
<td>85</td>
<td>14</td>
<td>356</td>
<td>271</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>337</td>
<td>281</td>
<td>1,263</td>
<td>1,100</td>
</tr>
</tbody>
</table>

|                             |         |         |       |
| Return on equity            | 10.4%   | 9.4%    | 10.2% |
| Total operating costs in relation to total income | 57.4% | 58.6% | 54.3% |
| Loss on loans as a percentage of total commitments | -0.1% | 0.2%  | 0.0% |

* Profit for 2016 includes 40.5 % ownership of Bank 1 Oslo Akershus for 6 months, thereafter 100%.
## Income statement Q4-2017

Adjusted (pro forma) Group*

<table>
<thead>
<tr>
<th></th>
<th>4Q-2017</th>
<th>4Q-2016</th>
<th>Reported 2017</th>
<th>Adjusted 2016*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>501</td>
<td>452</td>
<td>1,956</td>
<td>1,739</td>
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<td>1,040</td>
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<td>550</td>
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<td>1,898</td>
<td>1,573</td>
</tr>
<tr>
<td><strong>Profit for banking operations before losses</strong></td>
<td>265</td>
<td>270</td>
<td>1,321</td>
<td>1,395</td>
</tr>
<tr>
<td>Net losses and write-downs</td>
<td>-13</td>
<td>43</td>
<td>-20</td>
<td>86</td>
</tr>
<tr>
<td><strong>Profit for banking operations after losses and write-downs</strong></td>
<td>278</td>
<td>227</td>
<td>1,341</td>
<td>1,309</td>
</tr>
<tr>
<td>Dividends</td>
<td>0</td>
<td>0</td>
<td>11</td>
<td>77</td>
</tr>
<tr>
<td>Net result from ownership interests</td>
<td>77</td>
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<td>194</td>
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<td>72</td>
<td>-69</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>422</td>
<td>294</td>
<td>1,618</td>
<td>1,516</td>
</tr>
<tr>
<td>Taxes</td>
<td>85</td>
<td>14</td>
<td>356</td>
<td>312</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>337</td>
<td>281</td>
<td>1,263</td>
<td>1,204</td>
</tr>
</tbody>
</table>

- Return on equity: 10.4% (2017), 15.0% (2016), 10.2% (Adjusted 2016*)
- Total operating costs in relation to total income: 57.4% (2017), 26.6% (2016), 54.3% (Adjusted 2016*)
- Loss on loans as a percentage of total commitments: -0.1% (2017), 0.0% (2016), 0.0% (Adjusted 2016*)

* 2016 has been adjusted such that 100% of the results in Bank 1 Oslo Akershus AS have been included for the full year.
Profit contributions from subsidiaries

2017 (2016)

**SpareBank 1 Finans Østlandet**
- Profit before tax NOK 158 million (NOK 115 million)
- Good growth and increasing profitability

**EiendomsMegler 1 Hedmark**
- Profit before tax NOK 14 million (NOK 19 million)
- Solid market position, good profitability

**EiendomsMegler 1 Oslo Akershus**
- Profit before tax NOK -12 million (NOK 3.4 million)
- Solid market position, but unsatisfactory performance.
- New management and key personnel recruited

**SpareBank 1 Regnskaphuset**
- Profit before tax NOK -3 million (NOK 2 million)
- Consolidation phase and strong focus on automation and robotisation
Contribution from joint ventures
2017 (2016)

**SpareBank 1 Gruppen**
- Profit before tax NOK 2,210 million (NOK 2,019 million)
- Ownership 12.4%

**SpareBank 1 Boligkreditt AS**
- Profit before tax NOK -238 million (NOK -146 million)
- Ownership 21.1%

**SpareBank 1 Næringskreditt**
- Profit before tax NOK 79 million (NOK 112 million)
- Ownership 9.2%

**SpareBank 1 Kredittkort**
- Profit before tax NOK 112 million (NOK 172 million)
- Ownership 19.6%
Solid growth in net interest income
Net interest income incl. commissions from covered bond companies

- Strong development in net interest income in the last year
- Increase of NOK 90 million from Q4-16 to Q4-17
- The increase was due to a combination of interest rate margins and volume growth
- Stable net interest income in the fourth quarter of 2017

* The statement deviates from previously reported figures by NOK 9 million due to repostings to show comparable figures, this is corrected against international payments
Solid lending growth in 2017 as well

Lending volume, Group, incl. transferred to the covered bond companies (NOK billions)

- Lending growth in the Group in the last 12 months was 8.4 %
- Lending growth retail 8.7 %
- Lending growth corporates 7.7 %
Lending margins
Retail market and corporate market (parent bank)

Q4 2016: Lending margin, RM, incl. covered bond companies = 1.58%
Q1 2017: Lending margin, RM, incl. covered bond companies = 1.71%
Q2 2017: Lending margin, RM, incl. covered bond companies = 1.85%
Q3 2017: Lending margin, RM, incl. covered bond companies = 1.92%
Q4 2017: Lending margin, RM, incl. covered bond companies = 1.93%

Lending margin, CM, incl. covered bond companies:
Q1 2017: 2.56%
Q2 2017: 2.68%
Q3 2017: 2.66%
Q4 2017: 2.76%
Q1 2018: 2.68%
Good utilisation of quotas in the mortgage regulation*

Daily follow-up ensures that utilisation remain within the permitted quota

Utilisation of flexibility quota in the fourth quarter of 2017

City of Oslo
7.4 %

Other areas
4.2 %

- Loan to Value (LTV): 85 %
  - 75 % legal limit for cover pool
- Secondary housing and flexible repayment mortgages must not exceed 60 % LTV in Oslo
- A 5 % rise in interest rates must be used when assessing the customer's debt servicing capacity
- Total debt must not exceed five times gross annual income
- Exceptions are possible for up to 10 % (8 % for Oslo) of the value of granted loans each quarter
  - Flexibility quota

* "Regulation on the requirements for new lending with collateral in housing"
High quality credit process (1)
Percentage of granted mortgages per county and average LTV per quarter 2017

- Proportion of granted volume per quarter
- Average LTV on granted loans per quarter

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oslo</td>
<td>33%</td>
<td>30%</td>
<td>30%</td>
<td>30%</td>
<td>32%</td>
<td>29%</td>
<td>28%</td>
<td>32%</td>
<td>27%</td>
<td>31%</td>
<td>31%</td>
<td>29%</td>
<td>4%</td>
<td>4%</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Akershus</td>
<td>60%</td>
<td>62%</td>
<td>65%</td>
<td>62%</td>
<td>65%</td>
<td>66%</td>
<td>66%</td>
<td>66%</td>
<td>65%</td>
<td>66%</td>
<td>67%</td>
<td>65%</td>
<td>72%</td>
<td>76%</td>
<td>73%</td>
<td>72%</td>
</tr>
<tr>
<td>Hedmark</td>
<td>60%</td>
<td>62%</td>
<td>65%</td>
<td>62%</td>
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<td>66%</td>
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<td>69%</td>
<td>71%</td>
<td>70%</td>
<td>71%</td>
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<tr>
<td>Oppland</td>
<td>60%</td>
<td>62%</td>
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<td>71%</td>
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<td>71%</td>
</tr>
<tr>
<td>Other</td>
<td>60%</td>
<td>62%</td>
<td>65%</td>
<td>62%</td>
<td>65%</td>
<td>66%</td>
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<td>69%</td>
<td>71%</td>
<td>70%</td>
<td>71%</td>
</tr>
</tbody>
</table>

Oslo
Akershus
Hedmark
Oppland
Other
High quality credit process (2)
Percentage of granted mortgages and average LTV per county in 2015 and 2016

- **Oslo**: 71% (2015), 66% (2016)
- **Akershus**: 30% (2015), 69% (2016)
- **Hedmark**: 28% (2015), 70% (2016)
- **Oppland**: 4% (2015), 3% (2016)
- **Other**: 74% (2015), 67% (2016)

Proportion of granted volume per quarter in 2015 and 2016
Average granted LTV on granted loans in 2015 and 2016
High quality retail portfolio

Loan to Value by exposure in the mortgage portfolio

- Under 70%: 95.3%
- 70-85%: 3.9%
- 85-100%: 0.4%
- Over 100%: 0.4%
Loan portfolio with a high proportion of retail market customers and SMEs

Lending to customers per sector (NOK millions)

- **Retail lending**: 74%
- **Corporate lending**: 26%

**Retail customers**: 58,872
- **Boligkreditt**: 37,451
- **Commercial covered bonds**: 1,624
- **Building and construction**: 3,923
- **Primary industries**: 4,179
- **Wholesale and retail trade**: 1,316
- **Business services**: 4,368
- **Property management**: 12,860
- **Others**: 4,942
Diversified portfolio
Mortgages and corporate loans by size (% share)

Residential mortgages

- <1 M: 9.4%
- 1-2.5 M: 41.0%
- 2.5-5 M: 33.3%
- 5-10 M: 12.7%
- >10 M: 3.7%

Corporate loans

- <5 M: 17.5%
- 5-10 M: 11.7%
- 10-50 M: 24.3%
- 50-100 M: 10.2%
- 100-200 M: 14.1%
- >200 M: 22.2%

* including mortgages transferred to the covered bond companies
Satisfactory deposit coverage
Deposit volume, Group (NOK billions)

- Deposit growth last 12 months 4.6%
- Deposit growth - retail 0.6%
- Deposit growth - corporates 10.9%
- Deposit coverage ratio 72.9%
- Deposit coverage ratio - including mortgages transferred to the covered bond companies - 50.9%
<table>
<thead>
<tr>
<th></th>
<th>Deposit margin RM</th>
<th>Deposit margin CM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2016</td>
<td>0.30%</td>
<td>0.27%</td>
</tr>
<tr>
<td>Q1 2017</td>
<td>0.23%</td>
<td>0.23%</td>
</tr>
<tr>
<td>Q2 2017</td>
<td>0.16%</td>
<td>0.13%</td>
</tr>
<tr>
<td>Q3 2017</td>
<td>0.06%</td>
<td>0.09%</td>
</tr>
<tr>
<td>Q4 2017</td>
<td>-0.05%</td>
<td>0.11%</td>
</tr>
<tr>
<td>Q1 2017</td>
<td>-0.04%</td>
<td></td>
</tr>
</tbody>
</table>

Deposit margins
Retail market and corporate market (parent bank)
Net commissions and other income
Commissions and other operating income by type (NOK millions)

- Stable development in commissions
- Revenues from accounting services and estate agency services dropped in the fourth quarter.
  - New management in EM 1 Oslo Akershus started in September.
  - A new CEO will be appointed in SB 1 Regnskapshuset

* Deviates from reported figures by 9 million due to repostings, this has been corrected for against net interest income.
### Fourth quarter - marked by restructuring costs

**Operating costs per quarter (NOK millions)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Operating Costs (NOK millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4-16</td>
<td>477</td>
</tr>
<tr>
<td>Q1-17</td>
<td>437</td>
</tr>
<tr>
<td>Q2-17</td>
<td>478</td>
</tr>
<tr>
<td>Q3-17</td>
<td>432</td>
</tr>
<tr>
<td>Q4-17</td>
<td>550</td>
</tr>
</tbody>
</table>

- **The merger was completed in the fourth quarter (see next page). NOK 47 million was charged in costs in connection with the merger in the quarter.**
- Costs in EM1 rose by NOK 27 million compared with the previous quarter
  - Recruited new management and key personnel in EM1 OA
  - Increased variable pay in EM1 Hedmark
- Capital tax amounting to NOK 7 million for 2017 was recognised in its entirety in the quarter
- Charge of NOK 17 million in the quarter due to recalculation of pension costs of former CEO of Bank 1 Oslo Akershus AS
The merger project has been completed
Greater synergies identified and realised slightly ahead of schedule

Synergies
• Expected synergies of NOK 82 million in 2018 – compared with target of NOK 75 million
• Annual synergies are expected to rise to NOK 96 million from and including 2019
• 23 FTEs signed severance agreements in the fourth quarter
  – Most will leave in the first quarter of 2018
  – NOK 26 million was recognised in severance pay in the fourth quarter of 2017

Integration costs
• NOK 103 million in total integration costs
  – NOK 13 millions recognised in 2016
  – NOK 88 millions recognised in 2017, of which NOK 47 millions in the fourth quarter
  – NOK 2 millions will be recognised in 2018
The contribution from financial items has increased

Net result from financial assets and liabilities (NOK millions)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (NOK millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net result from financial assets and liabilities 31 December 2016</td>
<td>220</td>
</tr>
<tr>
<td>Net result from financial assets and liabilities without valuation of debt</td>
<td>46</td>
</tr>
<tr>
<td>Valuation of debt</td>
<td>88</td>
</tr>
<tr>
<td>Net result from ownership interests</td>
<td>42</td>
</tr>
<tr>
<td>Dividends from long-term shareholdings</td>
<td>35</td>
</tr>
<tr>
<td>Net result from financial assets and liabilities 31 December 2017</td>
<td>277</td>
</tr>
</tbody>
</table>
Net reversals on losses
Net loan loss provisions (NOK millions)

- Net reversals on losses NOK 13 million in the fourth quarter
  - Equal to -0.1% of gross lending*.
  - Reversal of collective provisions by NOK 23 million in the corporate division due to improved credit quality.

- Net reversals on losses NOK 20 million in 2017
  - Equals -0.02% of gross lending.
  - Reversal of collective provisions by NOK 46 million in the corporate division due to improved credit quality.

* Annualised loss rate.
Low levels of problem loans
Non-performing and other doubtful commitments*

The proportion of problem loans is stable at low levels.

*) NOK millions and percentage of total lending
Solidity and capital adequacy
Core equity tier 1 ratio, Group (%)

- The Bank’s target core equity tier 1 ratio is 16.0 %

- As of 31 December 2017, the core equity tier 1 ratio was 16.8 %

- The regulatory requirement is 13.7 %, including a Pillar 2 requirement of 1.7%

- The Financial Supervisory Authority of Norway has imposed a revised Pillar 2 requirement of 1.8 % with effect from 31 March 2018. The new total requirement for core equity tier 1 capital will then be 13.8 %.

- The leverage ratio was 7.1 % (7.4 %) as of 31 December 2017.
The new loss model based on IFRS 9 has no significant effect on capital adequacy. Total loss provisions for the Group as of 1 January 2018 are estimated at NOK 389 million, NOK 22 million higher than the loss provisions as of 31 December 2017.

The effect of changed classification and measurement is otherwise neutral from a regulatory perspective.

The total implementation effect of IFRS 9 for the Group is estimated at a 0.03 percentage point reduction in the core equity tier 1 capital ratio.

On 2 February, the Financial Supervisory Authority of Norway set a Pillar 2 requirement of 1.8 % for SpareBank 1 Østlandet. This is 0.1 percentage points higher than the previous requirement.

The increase is explained by the Financial Supervisory Authority of Norway’s qualitative assessments of the merger risks in the Group. The Bank disagrees with the assessment, as the merger is finalised, but will not appeal the decision.
SPOL and dividend
A dividend of NOK 3.96 per equity certificate is proposed

- The Board will propose to the Supervisory Board payment of a dividend of **NOK 3.96 per equity certificate**
- The Supervisory Board will meet on 22 March (approval date)
- The last day inclusive is 22 March
- SPOL is ex dividend from 23 March
- The record date is 26 March
- Dividend will be paid on 6 April

<table>
<thead>
<tr>
<th>Equity certificates</th>
<th>31 December 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market price (in NOK)</td>
<td>90.50</td>
</tr>
<tr>
<td>Market capitalisation (NOK millions)</td>
<td>9,700</td>
</tr>
<tr>
<td>Book equity per equity certificate</td>
<td>81.14</td>
</tr>
<tr>
<td>Earnings per equity certificate (in NOK):</td>
<td>7.92</td>
</tr>
<tr>
<td>Price/earnings per equity certificate:</td>
<td>11.43</td>
</tr>
<tr>
<td>Price/book equity</td>
<td>1.12</td>
</tr>
</tbody>
</table>
Solid dividends for owners and customers

Allocation of profit

Profit after tax in the Group
NOK 1,263 million

OWNERS

Dividends
NOK 424 million

Dividend equalisation fund
NOK 272 million

Primary capital

Primary capital provision
NOK 131 million

Customer dividends
NOK 204 million

Donations

Foundation
NOK 231 million

Dividends for the owners and customers equal 50% of the Group's profit after tax*

* The figures in the statement do not add up to 100% because the results in subsidiaries, group contributions, Bank’s donation provisions, fund for unrealised gains and minority interests have been excluded
Strategy and ambitions
Continuous development of the Bank
Merger and IPO basis for future growth

2014
- Decision to evaluate

2015
- Evaluation, conversion, and implementation

2016
- Equity issue to B1OA owners

2017
- Merger between B1OA and SH to SpareBank 1 Østlandet
- IPO

2017-
- Revised strategy
- Deliver on targets and potential

Foundation
- Owners B1OA

Free flow
- Trade Unions (LO)

Customer dividend ensures a stable EEC ratio
Attractive market with growth opportunities
Major player in Eastern Norway with a main focus on Hedmark, Oppland, Oslo and Akershus

CAPITAL REGION
Oslo and Akershus

• 25 % of the country’s population (1.26 million people)
• More than 33 % of GDP
• Norway's most important decision centre – includes central government
• Europe's second highest level of education * and over half of Norway's R&D
• High population growth

INLAND REGION
Hedmark and Oppland

• Around 8 % of the country’s population (390,000 people)
• More than 6 % of GDP
• Norway's largest agricultural and forestry region
• Broad business sector dominated by SMEs
• Most cyclically stable region of Norway with limited exposure to oil, shipping or fisheries

Source: Statistics Norway, Eurostat | Comments (*): Among capitals in Europe
A market area with long term growth potential

Population growth

Source: Statistics Norway: “Befolkningsframskrivingens hovedalternativ 2016-2040”
By the end of 2021

- Are we the third largest savings bank in Norway
- We have one of the most attractive equity certificates on Oslo Stock Exchange
- We have differentiated ourselves from the main competition and have increased our market share
- We have made banking easy for our customers and employees
- Best at cross-sales in the alliance and have utilised the profitable potential in the Group
- We have established ourselves as a bank with a distinct ESG profile
Financial targets 2018

- **Profitability**: Return on equity at least 10%
- **Dividends**: 50% pay-out ratio
- **Solidity**: CET1 at 16%
- **Costs**: 5% cost reduction*

*Nominal costs parent bank compared with 2017*
The Group is preparing for the future

- **VR/AR cooperation** signed with world leader EON Reality Inc. The goal is to help increase financial understanding among today's youth and teach everyone how to manage their own finances.

- **Askelab AS** was established as a separate company under the direction of SpareBank 1 Finans Østlandet. The company develops solutions for mobility, the sharing economy and autonomous vehicles. The aim is to challenge existing businesses.

- **Own innovation and development department** was established in 2017.

- **Extensive development work** along with the other SpareBank 1 alliance banks.

- **An innovation lab** is being established in cooperation with technology companies as partners. The lab is a meeting place for open innovation and we will seek partnerships with entrepreneurs and scientists from the local business sector, academia and start-up clusters.
SpareBank 1 Østlandet’s main differentiator
SpareBank 1 Østlandet is the bank that introduced customer dividends
The LO customers represent a significant potential

Number of LO members and customers in the Bank’s market area

<table>
<thead>
<tr>
<th>Region</th>
<th>No. of Members</th>
<th>Bank customers</th>
<th>Market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hedmark</td>
<td>44,682</td>
<td>27,590</td>
<td>62%</td>
</tr>
<tr>
<td>Oppland*</td>
<td>39,430</td>
<td>1,371</td>
<td>3%</td>
</tr>
<tr>
<td>Oslo</td>
<td>78,505</td>
<td>11,979</td>
<td>15%</td>
</tr>
<tr>
<td>Akershus</td>
<td>73,934</td>
<td>8,871</td>
<td>12%</td>
</tr>
<tr>
<td>Outside our market area</td>
<td>4,096</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>236,473</strong></td>
<td><strong>53,910</strong></td>
<td><strong>21%</strong></td>
</tr>
</tbody>
</table>

* All members are SpareBank 1 customers through LOfavør group policies

* In Oppland, there are five SpareBank 1 banks. SpareBank 1 Østlandet is in Gjøvik and Lillehammer
We take sustainability seriously
Among the first in providing green financing for retail customers
Summary of 2017

• Introduced customer dividends
• Completed the merger with Bank 1 Oslo Akershus AS
• Listed on Oslo Stock Exchange
• Established new strategic destination
• And at the same time, delivered a solid result in line with financial goals
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Geir-Egil Bolstad
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Investor relations
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END
Appendices
US-UK roadshow
The Bank’s roots
Acquisition of Bank 1 Oslo Akershus (2016)

Strategic rationale

- Strategic positioning towards the largest region in Norway - Oslo is the fastest growing capital in Europe
- Integrated region for labour and housing
- No overlapping branch network
- Reduced costs through synergies
- More professional, more specialised, more attractive employer
- Further diversification of loan portfolio

- Legal merger took effect on 1 April 2017 with:
  - A new name: SpareBank 1 Østlandet.
  - A new organizational structure and group management

Source: (The Norwegian railroad authority)
### Diversified Main Activities

Several sources of income - parent bank, subsidiaries and other ownership interests

### Operational divisions **

<table>
<thead>
<tr>
<th>Division</th>
<th>Employee Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Segment</td>
<td>~370 employees</td>
</tr>
<tr>
<td>Corporate Segment</td>
<td>~125 employees</td>
</tr>
<tr>
<td>Organizations &amp; Capital Markets</td>
<td>~20 employees</td>
</tr>
<tr>
<td>Administration &amp; Support</td>
<td>~190 employees</td>
</tr>
</tbody>
</table>

### Selected key subsidiaries

<table>
<thead>
<tr>
<th>Subsidiary</th>
<th>Ownership</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>EiendomsMegler 1 Hedmark Eiendom AS</td>
<td>100%</td>
<td>Real estate agent</td>
</tr>
<tr>
<td>EiendomsMegler 1 Oslo Akershus AS</td>
<td>100%</td>
<td>Real estate agent</td>
</tr>
<tr>
<td>SpareBank 1 Finans Østlandet AS</td>
<td>95%</td>
<td>Financing / Leasing</td>
</tr>
<tr>
<td>SpareBank 1 Regnskapshuset Østlandet AS</td>
<td>100%</td>
<td>Accounting</td>
</tr>
</tbody>
</table>

### Selected other ownership interests

<table>
<thead>
<tr>
<th>Interest</th>
<th>Ownership</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Totens Sparebank</td>
<td>~25%</td>
<td>Savings bank</td>
</tr>
<tr>
<td>KOMM-IN AS</td>
<td>~24%</td>
<td>Local venture capital</td>
</tr>
<tr>
<td>Vato AS</td>
<td>100%</td>
<td>Property management</td>
</tr>
<tr>
<td>Torggt 22 AS</td>
<td>50%</td>
<td>Real estate SPV</td>
</tr>
<tr>
<td>Youngstorget 5 AS</td>
<td>100%</td>
<td>Real estate SPV</td>
</tr>
</tbody>
</table>

---

*Note**: Headcount in the parent bank was 705 FTE as of 31 December 2017. Was 743 FTE in pro-forma parent bank 31.12.2016 and 763 FTE in pro-forma parent bank 31.12.2015.
Part of the SpareBank 1 Alliance
Provides operational and financial economies of scale as well as diversified product offering

Key comments

- The SpareBank 1 Alliance ("SB1A") consists of 14 independent savings banks, who cooperate on branding and providing a joint platform.
- SB1A is Norway’s second largest financial group in terms of total assets.
- SB1A was created in 1996 to strengthen each local bank’s competitiveness, profitability and solvency, as well as to ensure each bank’s future independence and regional ties.

Key joint ventures

- «SpareBank 1 Alliance» = 14 cooperating independent savings banks

Key associated companies

- SpareBank 1 Betaling AS (Vipps **) = 21.2%
- SpareBank 1 Kredittkort AS (Credit cards) = 19.6%
- SpareBank 1 Boligkreditt AS (Covered bond issuer) = 21.1%
- SpareBank 1 Næringskreditt AS (Covered bond issuer) = 12.4%
- SpareBank 1 Markets AS (Investment bank) = 6.2%
Part of the SpareBank1 Alliance

14 independent savings banks cooperating on joint platform and brand: SpareBank 1
Long history of profits
Net profit and profit pre-financials and loan losses (MNOK)

Source: Bank reports and SpareBank 1 Markets.
Strong profitability adjusted for gearing

Return on equity (per cent)

**Development 1996-2016**

- **SB1 Østlandet**
- **Peers, rep.**
- **SB1 Østlandet, rep. @ CET-1 as peers**

**Average 1996-2016**

- **SB1 Østlandet rep.**: 10.3%
- **Peers, rep.**: 13.7%
- **SB1 Østlandet rep. @ CET-1 as peers**: 15.2%

Source: SpareBank 1 Markets. Peers: NONG, SRBANK, MING, MORG, SVEG.
Norwegian banks have been leading the way
Norwegian banks leading in FinTech

1970
Payment cards
ATMs

1980
Computers
Payment terminals

1990
Internet bank

2000
Mobile bank
Bank ID

2010
mCash + Vipps
Chatbots

2020

SpareBank ØSTLANDET
We are in the forefront of digital banking
SpareBank 1 Østlandet launched Europe’s first internet bank in 1996 and remain in the forefront

Banking customers
• Among our retail customers:
  – Nine out of 10 use either internet or mobile banking regularly.
  – The future is mobile: Appr. 23% of our retail customers only use mobile banking.
• Self-sufficiency: 90% + of all retail banking transactions and services done by customers on their own.
• Increasing digitalization also among businesses.

Banking in SpareBank 1 Østlandet
• A long list of innovations
  – Norway’s first telephone bank (1994)
  – Norway’s first mobile banking app (with the SB1 Alliance) (2010)
  – Norway’s first bank with customer dividend (2016)
  – Norway’s first voice controlled mobile banking app (2017)
• To be continued..
But we also believe in local banking

Our largest competitor is closing many branch offices in the region

• We believe that most people still want to discuss personal economy with their bank – even the millennials.

• We believe that business leaders need discussion partners that understand their particular situation – especially in the SME segment, including our agricultural customers.

• We believe that SpareBank 1 Østlandet needs to remain local to remain relevant - as a true savings bank.
The equity certificates
Conversion and ownership composition
Changes during conversion and IPO

Equity capital before conversion (and Bank 1)
- Primary capital: 100%
  - Owned by the Foundation, LO and the other Sp1-banks

Equity capital after conversion and Bank 1 (pre-IPO)
- Primary capital: 1/3
- Equity share capital: 2/3

Equity share capital after IPO
- ECC owned by others: 30.8%
- ECC owned by LO: 14.8%
- ECC owned by foundation: 54.4%
Staying innovative: The Customer dividend

Tool for keeping equity ratio stable. First bank to introduce in Norway

- **Creating together** is the bank’s vision: In line with our basic values as a savings bank.

- Provides simple mechanism for stabilising the ownership share for the equity share capital.

- Effective on 1 January 2017, first dividend payment in April 2018.

- The bank’s supervisory board decides whether customer dividends shall be paid out and how much.

*Including minority interest

**Simplified illustration based on 50 % dividend share, profit after taxes of MNOK 1,263 and an ECC-share of 67.5 %.
Long history of low loan losses
In line with peers, but more stable than peer average

*Loan loss provisions, incl transfer to covered bond company (% of lending)*

ECs and governance
About equity capital certificates (ECCs)

• A savings bank that has issued equity capital certificates has two types of equity. One is its primary capital, or “ownerless” equity, which consists of retained earnings built up by the bank over the years. The other is certificate-holders’ equity, consisting of equity certificate capital and related reserves (equalisation reserve and premium account).

• Equity capital certificates have clear similarities to shares. The main differences lie in their owners’ rights to the bank’s assets and influence over the bank’s governing bodies. The key principle is that profits are distributed proportionally on the basis of ownership share and the bank’s other capital.

• At a limited company, losses hit shareholders’ equity directly. At a savings bank, losses are first absorbed by the primary capital and equalisation reserve, and the equity certificate capital is at risk only if the primary capital is exhausted.
About equity certificates (ECCs), cont’d

- Equity certificate holders own a share of the bank’s capital (equity certificate ratio) – 67.6 % as of 31 Dec 2017.
- Annual profits is allocated amongst the owners of the equity capital certificates and the institution itself, according to the equity certificate ratio.
- SpareBank 1 Østlandet aims to pay out 50% of its annual profit as dividends, to ECC-owners and to customers (the Customer dividend).
- In the event of loss or write down of capital, the capital components will be written down in reverse priority, and pro rata between capital of equal priority.

**Overview of a savings bank's primary capital**

<table>
<thead>
<tr>
<th>Priority</th>
<th>Subordinated loan capital</th>
<th>Capital contribution securities</th>
<th>Nominal Equity Certificate capital</th>
<th>Premium reserve</th>
<th>Compensation fund</th>
<th>Equalisation fund</th>
<th>Fund for unrealised gains</th>
<th>Savings Bank fund</th>
<th>Donation fund</th>
</tr>
</thead>
</table>

- Class I capital attributable to the equity certificate holders
- Class II capital attributable to the institution itself
Governance structure

- **Board of Directors**: manages the bank’s operations.
  - 8 members.
  - Nominated by the Nomination committee, consisting of 5 members of the Supervisory Board, of which 1 represents the EC-owners.

- **Supervisory Board**: Highest decision-making body of the bank.
  - 40 members, of which 12 represent the EC-owners.
  - EC-representatives elected at an election meeting of the EC-holders, after being nominated by the EC nomination committee.
  - EC nomination committee: 4-6 members. Owners with more than 10% ownership of outstanding ECs are entitled to at least 1 member of the committee.

<table>
<thead>
<tr>
<th>Representation in supervisory board</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 members</td>
<td>10%</td>
</tr>
<tr>
<td>14 members</td>
<td>35%</td>
</tr>
<tr>
<td>10 members</td>
<td>25%</td>
</tr>
<tr>
<td>12 members</td>
<td>30%</td>
</tr>
<tr>
<td>40 members</td>
<td></td>
</tr>
</tbody>
</table>

- **Share**: 4 members (10%), 14 members (35%), 10 members (25%), 12 members (30%), 40 members.
End