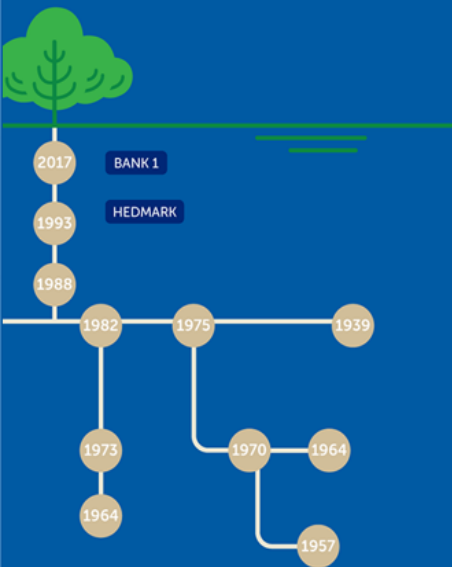




Financial results, Q1 2017

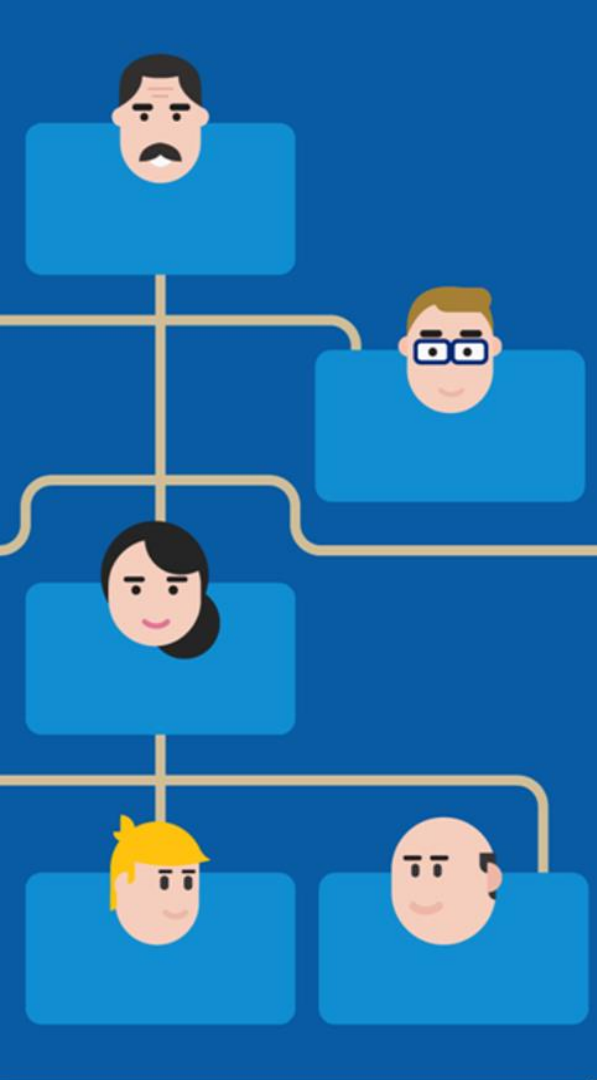
Merged bank, new name

- Sparebanken Hedmark and Bank 1 Oslo Akershus merged operations with effect from 1 April 2017.
- In its afternoon meeting on 30 March 2017, the Supervisory Board of Sparebanken Hedmark decided that the name of the merged bank would be SpareBank 1 Østlandet. The new name matches the merged bank's regional affiliation well. Re-profiling will take place during 2017.
- The technical merger of the two banks (including the internet banks) is planned for the autumn of 2017.
- New organisational structure and group management became effective on 1 April.
- The bank plans to list its equity certificates on Oslo Børs in the first half of June 2017, depending on market conditions.



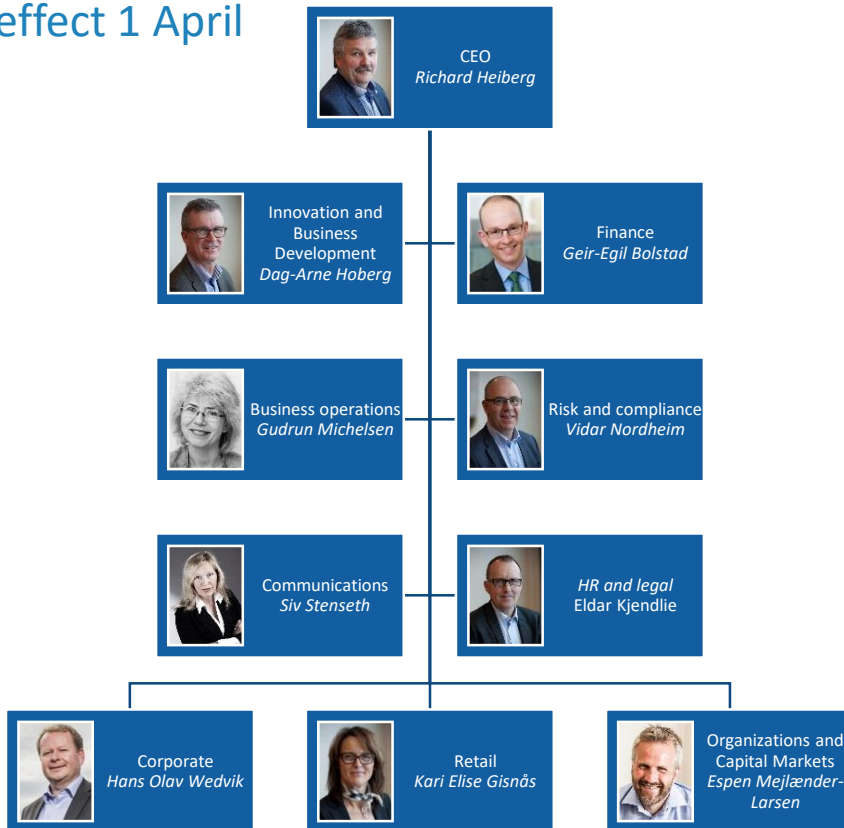
New SpareBank 1 Østlandet

- Norway's fourth largest savings bank, established in 1845.
- Operations in Hedmark, Oppland, Oslo and Akershus with 1.7 mill. inhabitants.
- Head office in Hamar.
- Equity certificate bank, owned by Sparebankstiftelsen Sparebanken Hedmark (75 %), LO (15 %) and other SpareBank 1-banks (10 %).
- Part of SB1-Alliance, owns 12.4 % of SpareBank 1 Gruppen AS.
- Banking, leasing, accounting and real estate services.
- Total adjusted assets (inc. covered bond companies) of NOK 139 bn, with around NOK 122 bn in loans.
- 290,000 customers, with a retail share of 74 %.
- 38 bank branches, around 1,200 employees.



New group structure and management

With effect 1 April





Summary of financials, Group

Improved profitability

- Profit after tax in Q1 2017 for Group of NOK 274 mn (Q1 2016 pro forma: 203), with an ROE of 9.3 % (7.6 %).
 - Improvement from Q1 2016 due mainly to higher net interest income and lower loan losses.
 - Closure of defined benefit pension scheme in Bank 1 contributed positively. Other cost developments impacted by merger, with progress and costs in line with plans.

Higher lending, improved margins

- Net interest income in Q1 2017 of NOK 464 mn (416). High lending growth and improvements in deposit and corporate lending margins contributed positively compared to Q1-16, retail lending margins contributed negatively.
 - Pro forma lending and deposit margins were 2.17 % (2.18 %) and 0.11 % (0.04 %), respectively, including loans transferred to SpareBank 1 Boligkreditt.

Net loan loss reversals

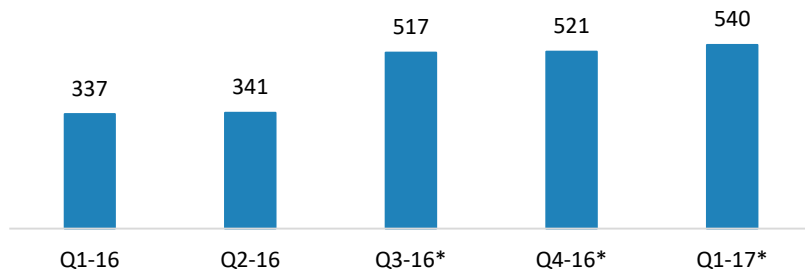
- Net reversals on losses on loans and guarantees of NOK 26 mn in Q1 2017 (loss costs of NOK 9 mn), due reduced group write-downs of NOK 27 mn (0).

Norway's most solid regional savings bank

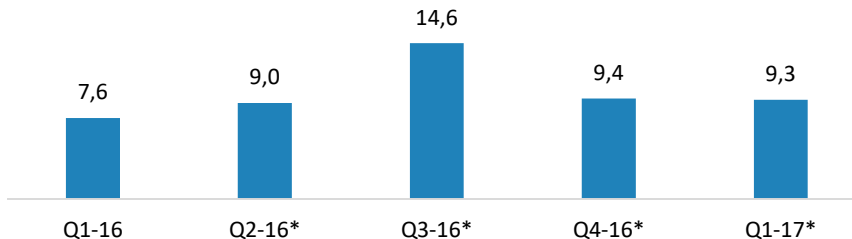
- CET-1 ratio of 16.7 % in Q1 2017 (16.9 % in Q4-16). Decline from Q4 due to a combination of lending growth and a higher ownership share and consolidation of SB1 Kredittkort. Leverage ratio of 7.5 % (7.4 % in Q4-16).

Key financials – quarterly

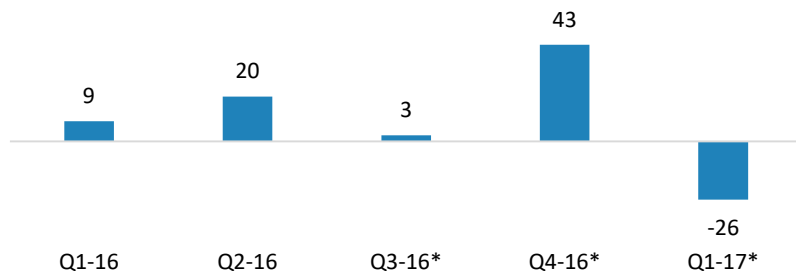
Net interest income and commission fees from covered bond companies (MNOK)



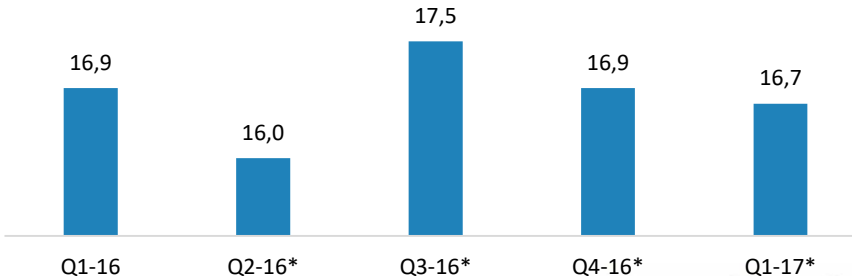
Return on equity after taxes (%)



Losses on loans and guarantees

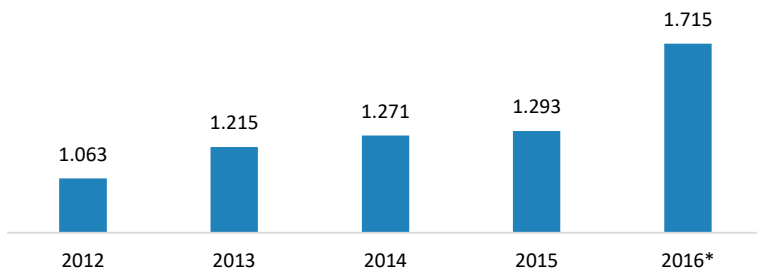


CET-1 (%)

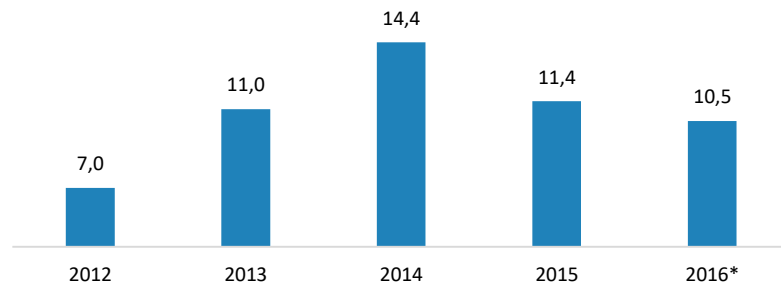


Key financials – annual

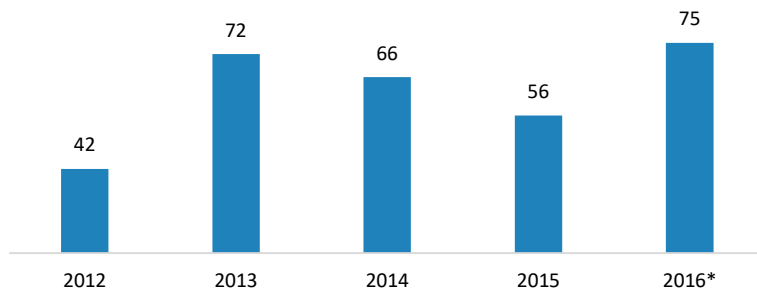
Net interest income and commission fees from covered bond companies (MNOK)



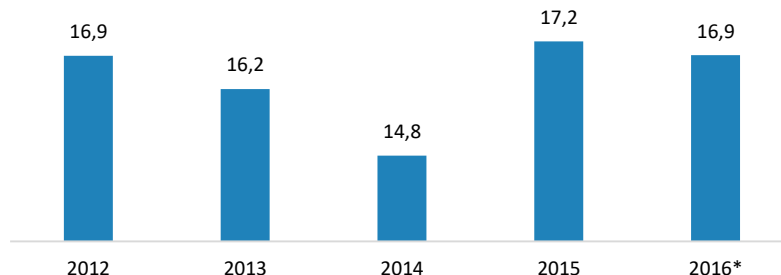
Return on equity after taxes (%)



Losses on loans and guarantees (MNOK)



CET-1 (%)



Financial results

Financial reporting and the Bank 1-acquisition

- The income statement of Bank 1 Oslo Akershus AS for H1-16 has been included in the Group result 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 30 June 2016.
- Due to the acquisition, comparisons between previous years' income statements and balance sheets are less informative.
- Note 8 in the interim report shows the consolidated profit as it would have been with 100 per cent ownership of Bank 1 Oslo Akershus AS from 1 January 2016.

Main figures for Q1 2017

Group, former Sparebanken Hedmark and Bank 1

| | Reported Sparebanken Hedmark Group | "Former" Sparebanken Hedmark | Bank 1 Oslo Akershus Group |
|---|--|------------------------------------|-------------------------------|
| Profitability | | | |
| Return on equity capital after tax | 9,3 % | 8,4 % | 13,0 % |
| From the balance sheet | | | |
| Assets (NOK mn) | 101.861 | 61.186 | 42.028 |
| Total adjusted assets (NOK mn) | 138.661 | 79.702 | 60.312 |
| Lending growth last 12 months incl. transferred loans | 95,8 % | 9,4 % | 9,7 % |
| Deposit growth during the last 12 months | 86,4 % | 6,4 % | 9,5 % |
| Deposits to loan ratio | 73,9 % | 72,5 % | 76,0 % |
| Financial strength | | | |
| Common Equity Tier 1 capital ratio | 16,7 % | | 12,6 % |
| Tier 1 capital ratio | 17,6 % | | 14,6 % |
| Capital adequacy ratio | 19,3 % | | 17,4 % |
| Leverage ratio | 7,5 % | | 5,8 % |
| Other key figures | | | |
| Total operating costs in relation to total income | 56,6 % | 55,6 % | 49,5 % |
| Losses in % of gross loans | -0,03 % | -0,04 % | -0,02 % |
| Problem loans in % of total commitments | 0,51 % | 0,76 % | 0,05 % |
| Problem loans in % of gross loans | 0,56 % | 0,86 % | 8,10 % |

«Reported Sparebanken Hedmark Group» is the reported result of Sparebanken Hedmark

In «Former Sparebanken Hedmark», Bank 1 is included in accordance with the equity method, with an ownership share of 40.5 %.

«Bank 1 Oslo Akershus Group» is the reported results of Bank 1.

Income statement Q1 2017

| | Q1 2017 | Q1 2016 | 2016 |
|---|------------|------------|--------------|
| Net interest income | 464 | 297 | 1.490 |
| Net commission income | 255 | 110 | 759 |
| Other income | 53 | 50 | 180 |
| Total operating expenses | 437 | 253 | 1.203 |
| Result bank operation before losses | 335 | 204 | 1.226 |
| Losses on loans and guarantees | -26 | 9 | 75 |
| Result bank operation after losses | 361 | 195 | 1.151 |
| Dividends | 9 | | 46 |
| Net profit from ownership interest | 6 | 70 | 234 |
| Net income from financial assets/liabilities | -14 | -63 | -60 |
| Profit/loss before tax | 361 | 202 | 1.371 |
| Tax charge | 88 | 33 | 271 |
| Profit/loss after tax | 274 | 169 | 1.100 |
| Return on equity capital after tax | 9,3 % | 7,7 % | 10,5 % |
| Total operating costs in relation to total income | 56,6 % | 54,5 % | 45,4 % |
| Losses on loans as a percentage of gross loans | -0,03 % | 0,1 % | 0,1 % |

* Figures for 2016 include 40.5 % ownership of Bank 1 in H1-16, then 100 %.

Profits from subsidiaries and joint ventures

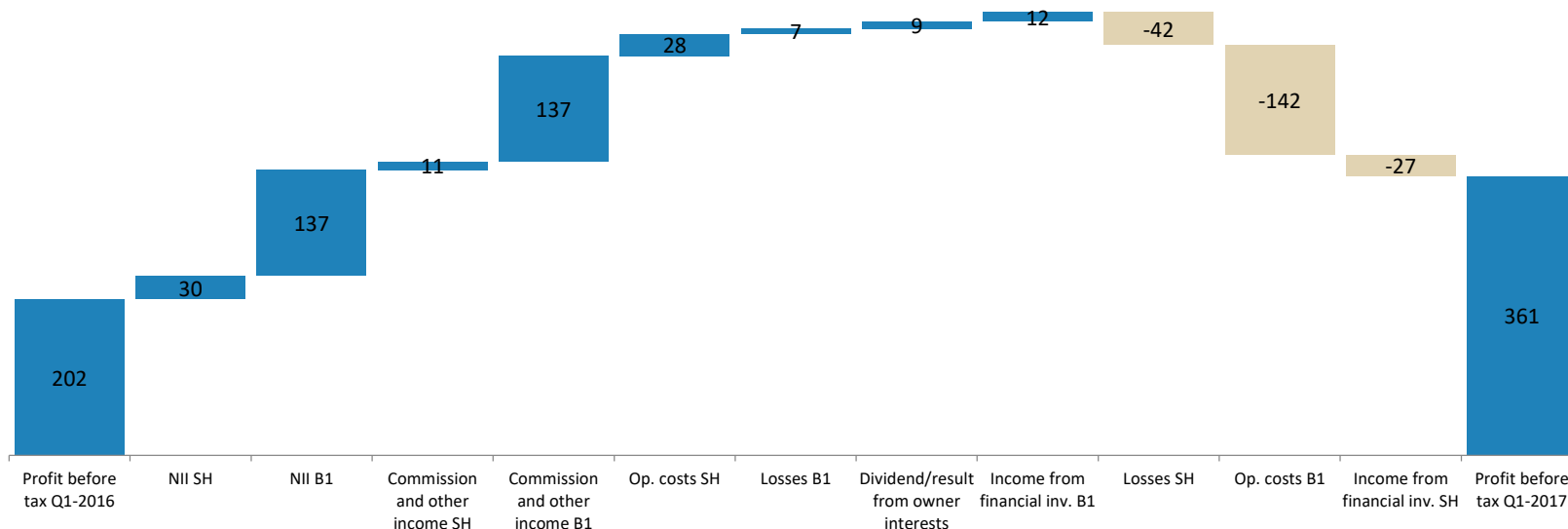
| <i>(Nok million)</i> | Q1 2017 | Q1 2016 | 2016 |
|---|----------------|----------------|--------------|
| Parent Bank's profit after tax | 190 | 158 | 964 |
| Dividends received from subsidiaries and joint ventures | -84 | -80 | -389 |
| Profit /loss attributable to: | | | |
| SpareBank 1 Gruppen AS | 42 | 34 | 192 |
| Bank 1 Oslo Akershus AS* | 119 | 23 | 250 |
| SpareBank 1 Boligkreditt AS and Næringskreditt AS | -25 | 12 | -23 |
| EiendomsMegler 1 Hedmark Eiendom AS | 2 | 1 | 14 |
| SpareBank 1 Finans Østlandet AS | 28 | 18 | 86 |
| SpareBank 1 Regnskapshuset Østlandet AS | 2 | 1 | 2 |
| SpareBank 1 Kredittkort AS | 2 | 3 | 17 |
| SpareBank 1 Mobilbetaling AS | -14 | -3 | -25 |
| Other companies | 11 | 0 | 12 |
| Consolidated profit after tax | 274 | 169 | 1.100 |

* «Q1 2016»: Ownership share of 40.5 % in Bank 1.

«2016»: 40.5 % ownership share for first half of the year, then 100 % ownership in Bank 1.

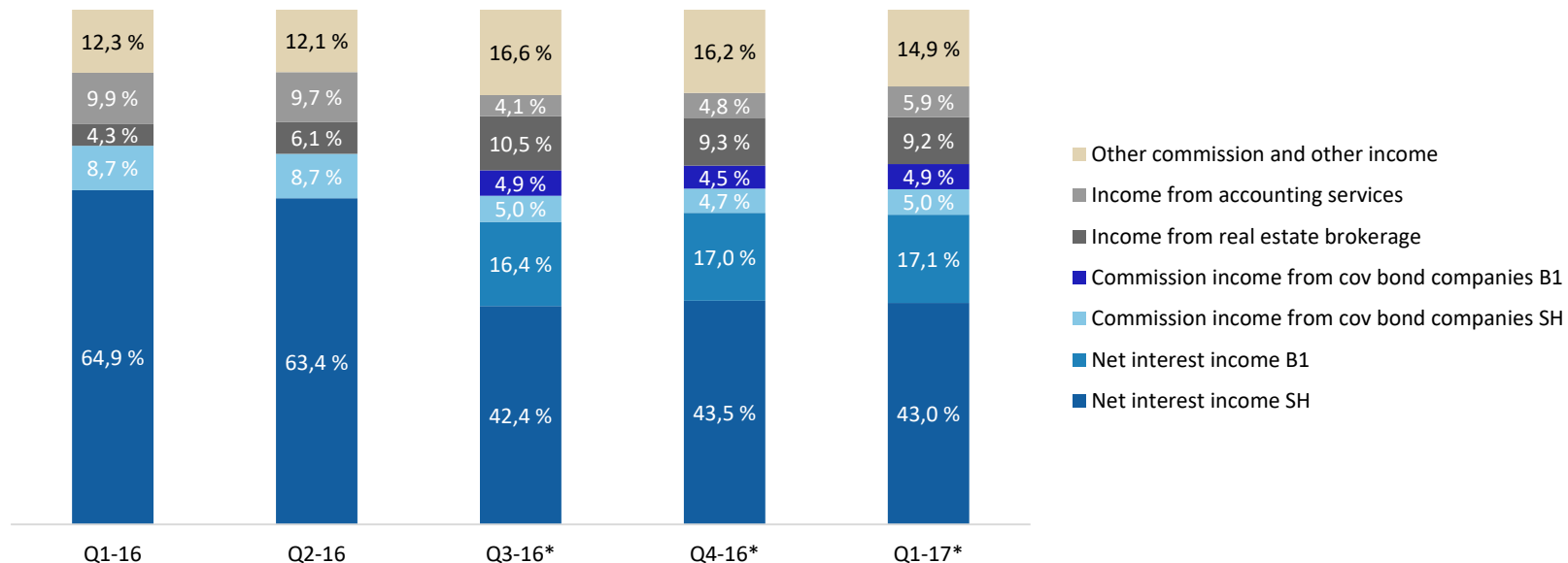
Change in profit from Q1 2016 to Q1 2017

Contribution to changes in profit before tax from Q1-16 to Q1-17. Sparebanken Hedmark (Group). MNOK.



Group income profile

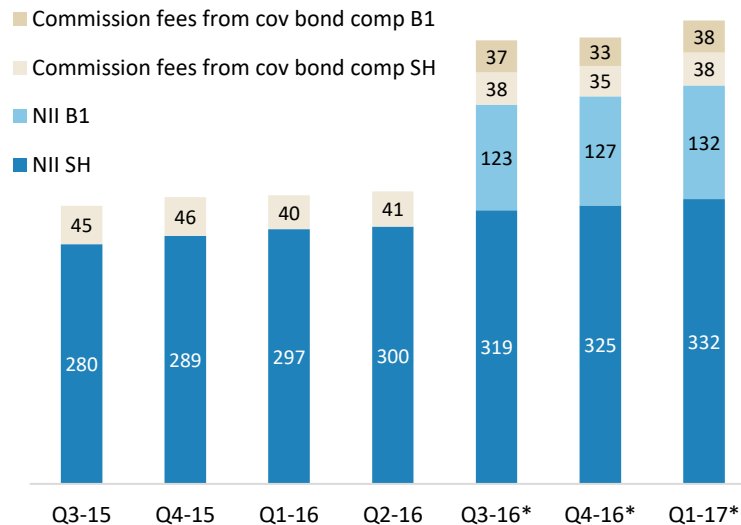
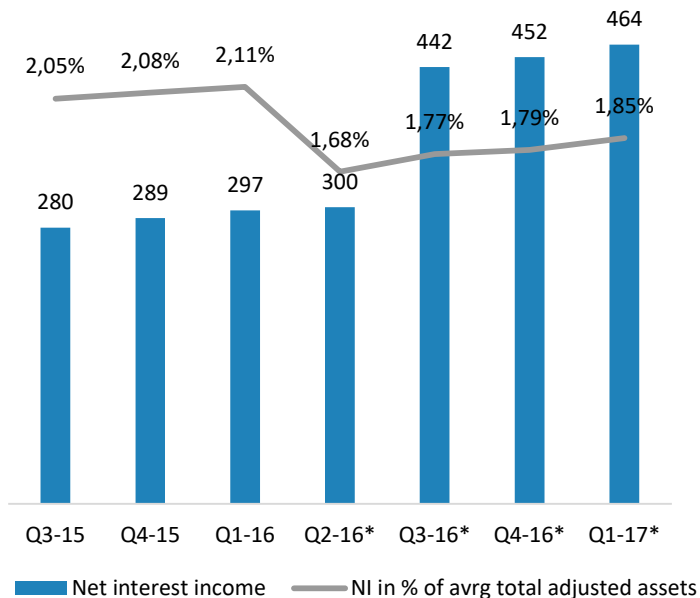
*Income by type. Sparebanken Hedmark (Group). % share of total income.**



* Includes 100 % ownership of Bank 1.

Net interest income

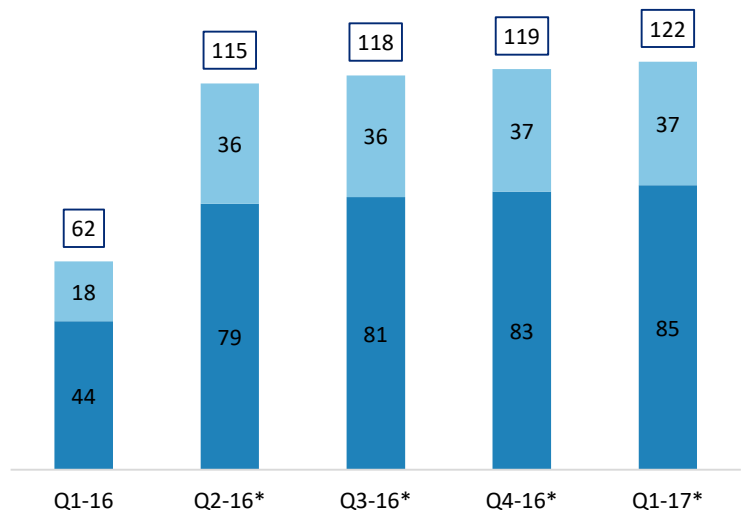
Interest income excl. commissions from covered bond companies. Interest income incl. commissions from covered bond companies



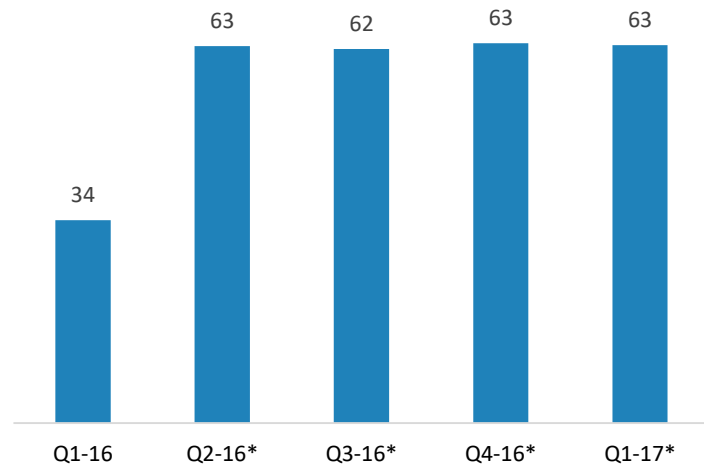
* Q3-16, Q4-16 and Q1-17 include net interest income, commission income and the balance sheet of Bank 1. Q2-16 only includes the balance sheet of Bank 1.

Loan and deposit volumes

*Loans. Numbers in boxes: Total loans. NOK bn.***



Deposits. NOK bn.



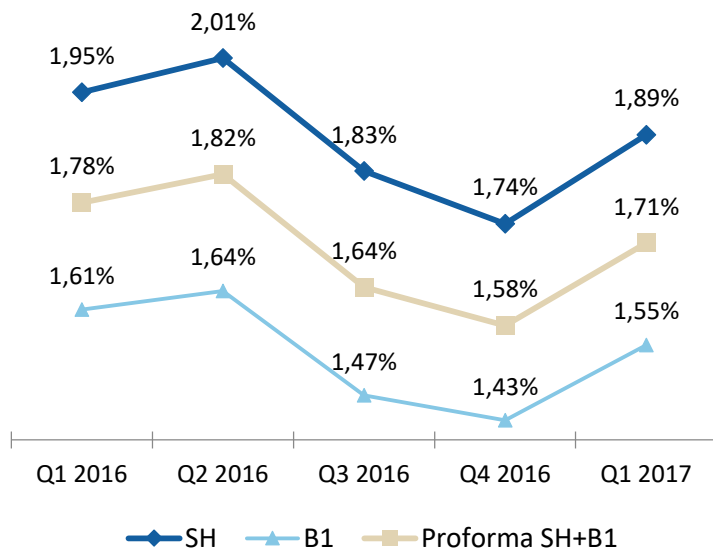
■ Loans transferred to covered bond companies ■ Gross loans own balance

* Includes 100 % ownership of Bank 1.

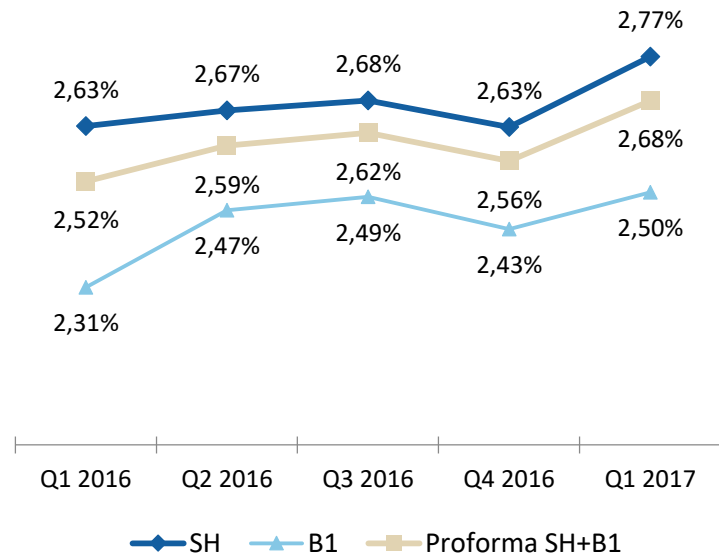
** Numbers include loans transferred to the covered bond companies.

Lending margins

*Retail lending margins, incl transferred loans. %.**



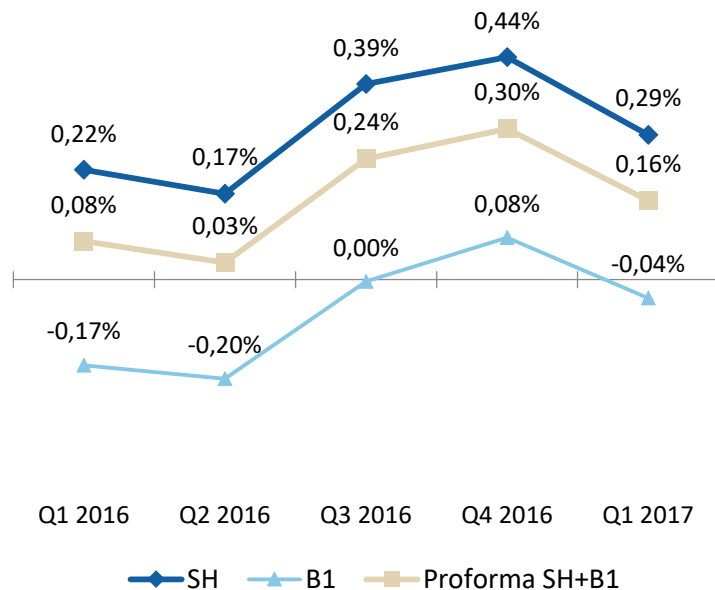
*Corporate lending margins, incl transferred loans. %.**



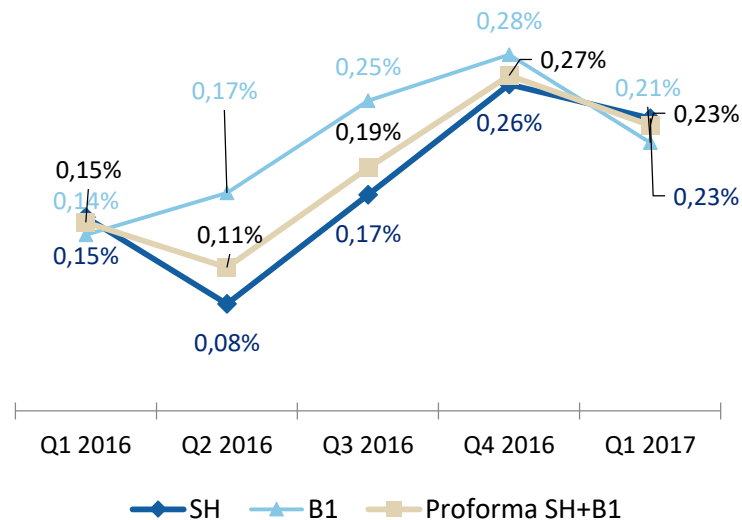
* Proforma includes 100 % ownership of Bank 1.

Deposit margins

*Retail deposit margins. %.**



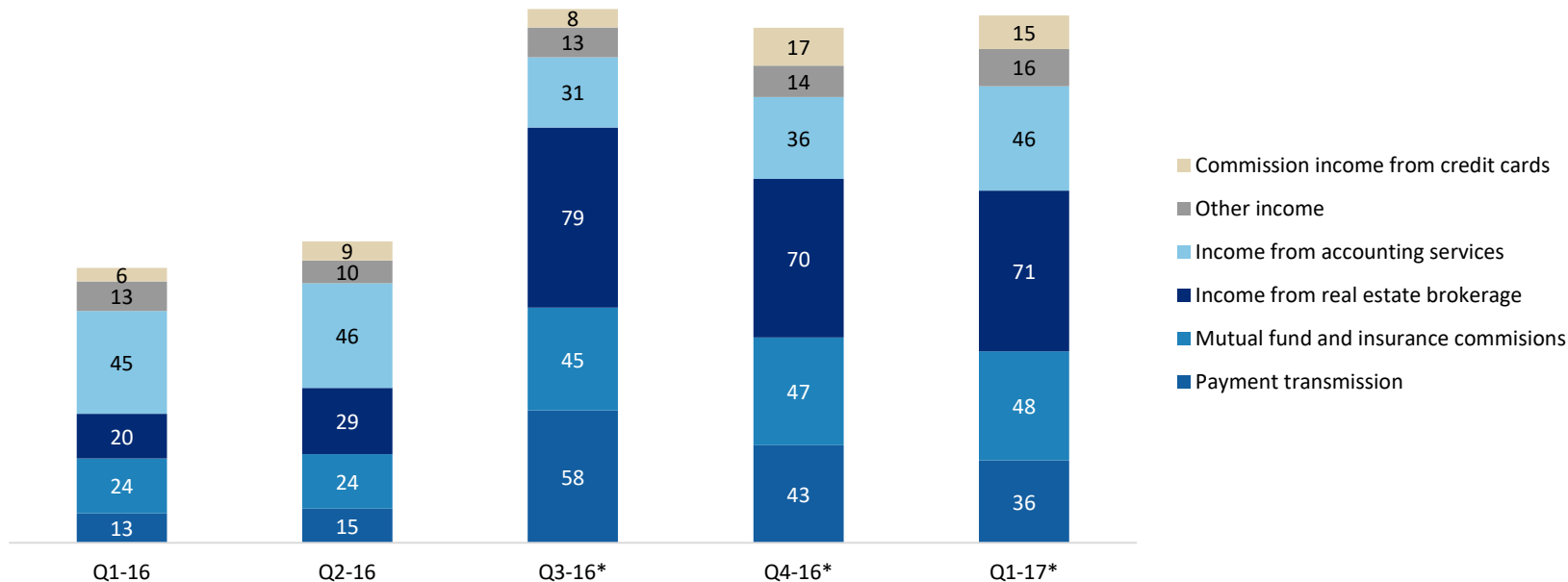
*Corporate (excl Organisation Market) deposit margins. %.**



* Proforma includes 100 % ownership of Bank 1.

Net commission and other income

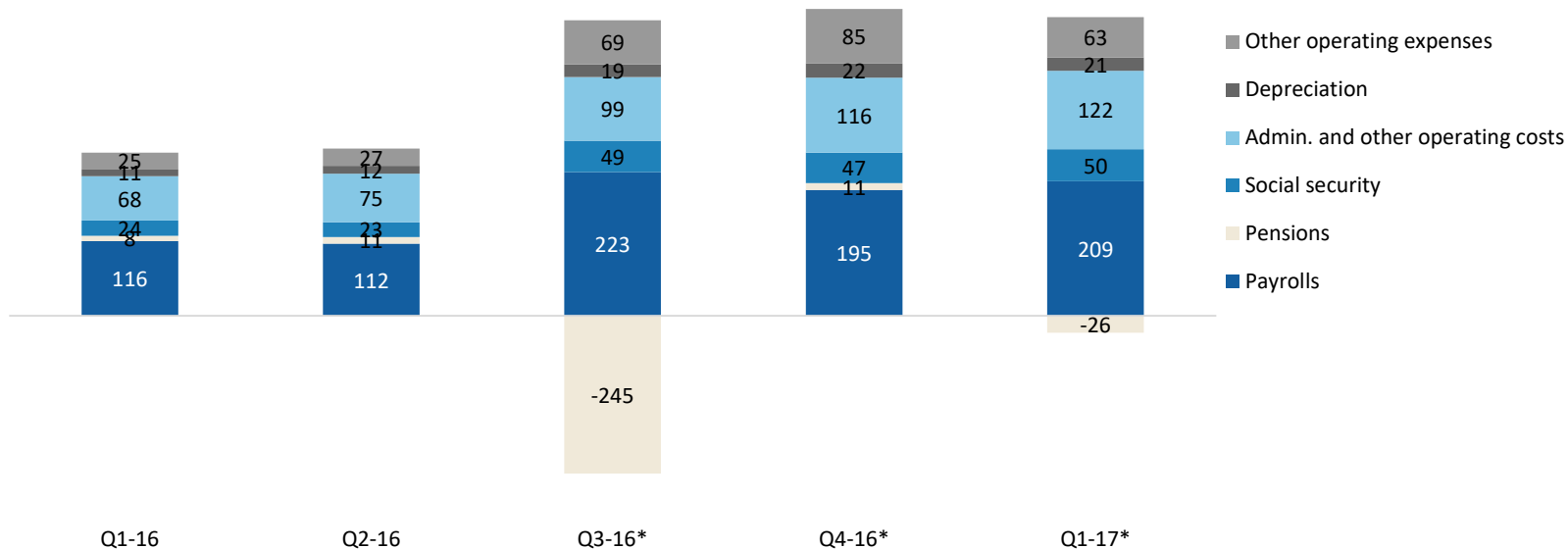
*Commission and other income, by type. MNOK.**



* Includes 100 % ownership of Bank 1.

Operating expenses

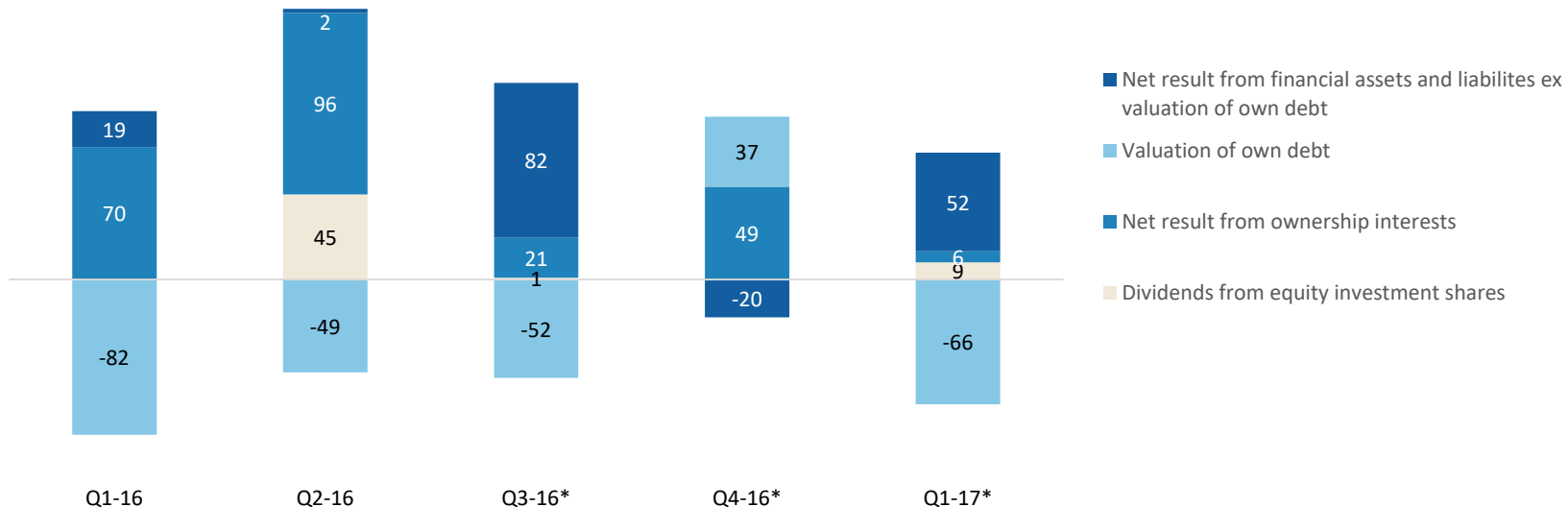
*Operating expenses, by type. MNOK.**



* Includes 100 % ownership of Bank 1.

Financial assets and liabilities

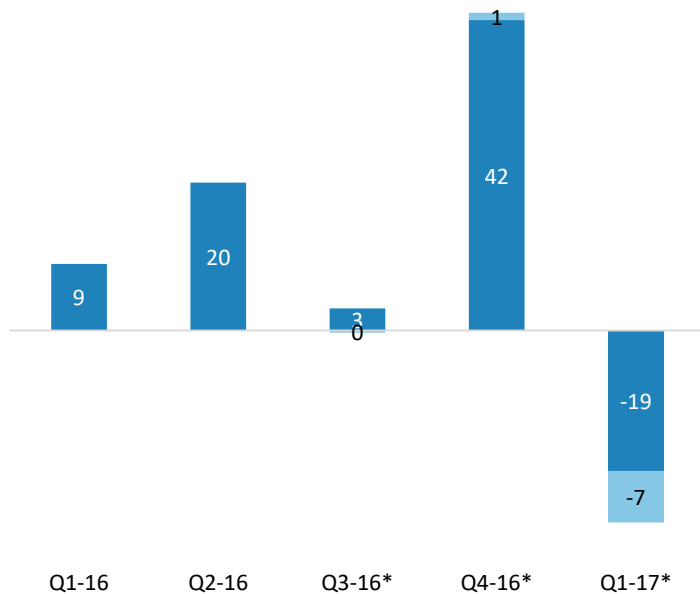
*Net income from financial assets and liabilities, by type. MNOK.**



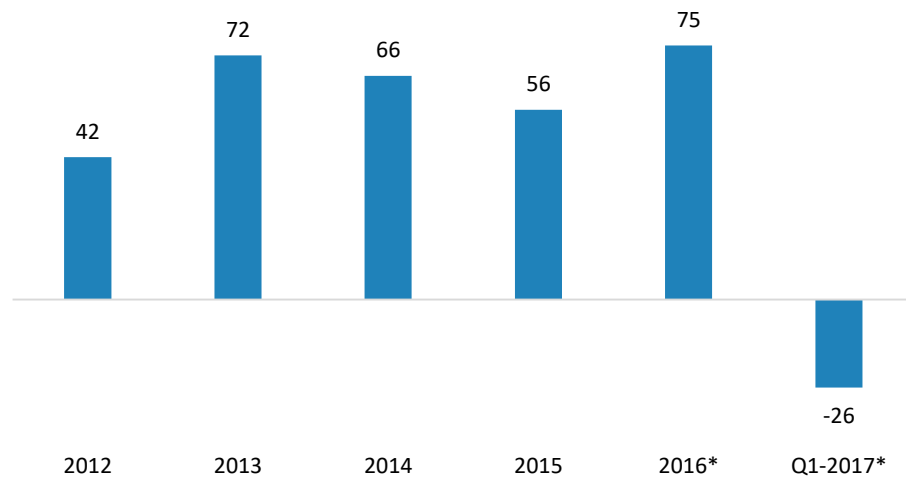
* Includes 100 % ownership of Bank 1.

Losses

*Losses on loans and guarantees. Quarterly. MNOK.**

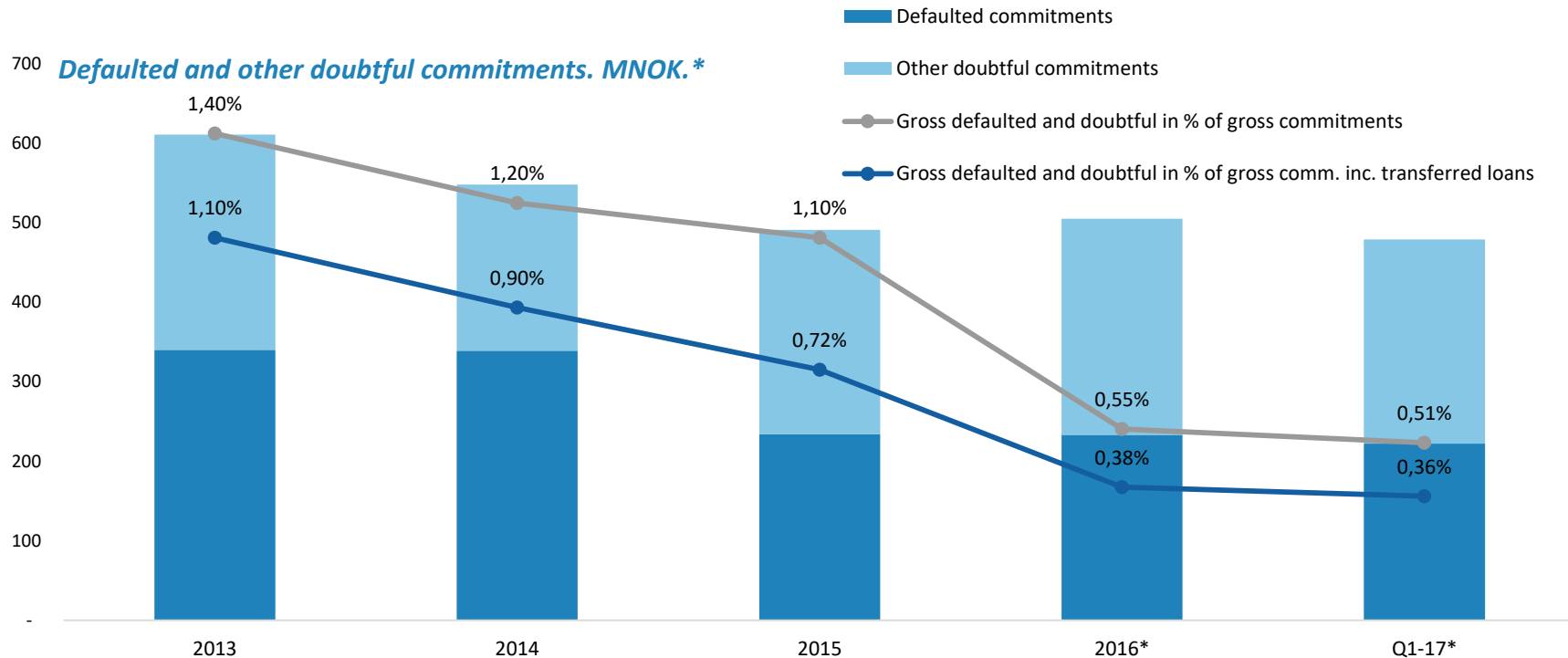


*Losses on loans and guarantees. Annual. MNOK.**



* Includes 100 % ownership of Bank 1.

Problem loans



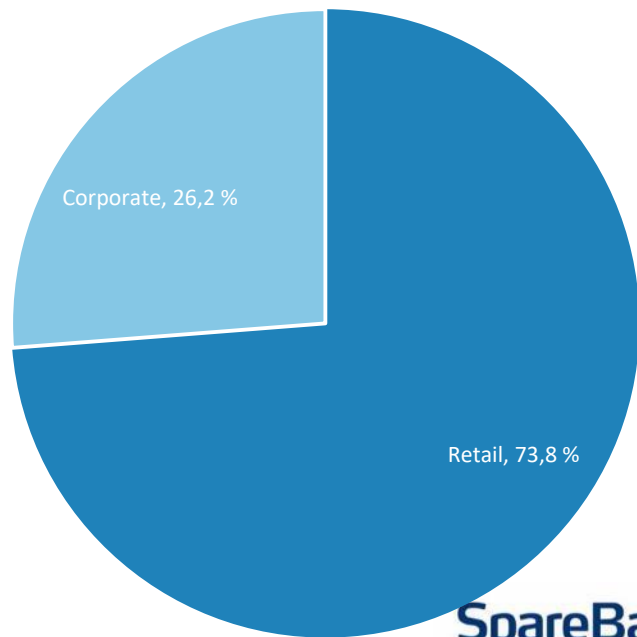
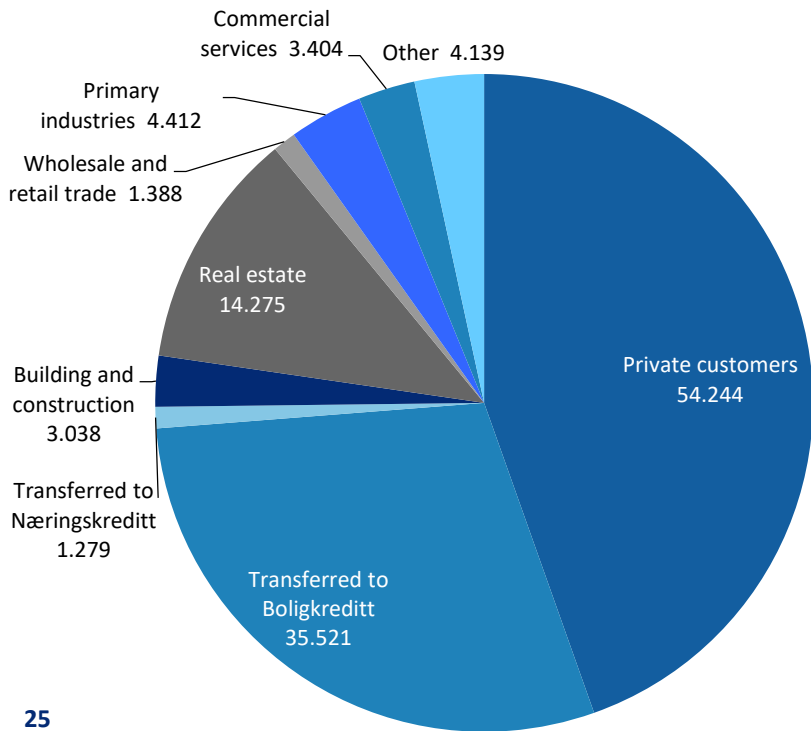
* Includes 100 % ownership of Bank 1.

Composition of loans and receivables

74 % of lending to retail customers – 77 % including agriculture

Composition of loans incl. covered bond companies. MNOK

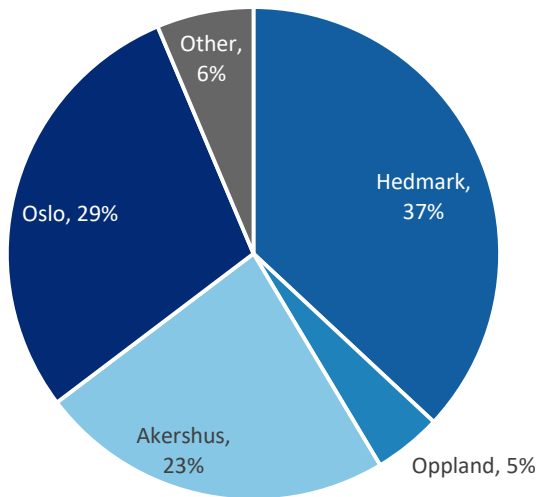
Composition of loans incl. covered bond companies. % share.



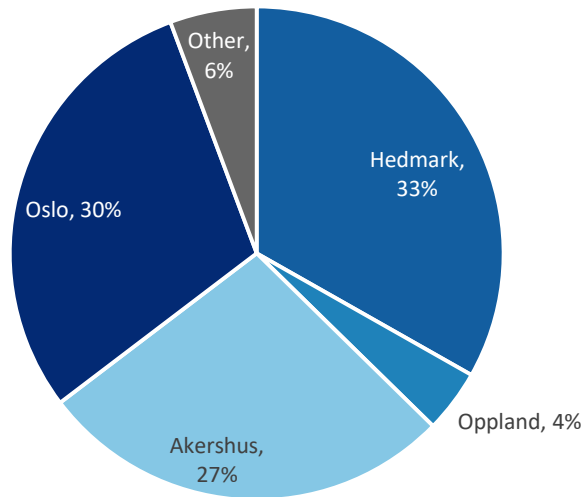
Geographical distribution of loans

The loan portfolio is evenly distributed across three counties.

Gross lending pr county. % of total lending.*



Mortgage loans pr county. % of total mortgage lending.*



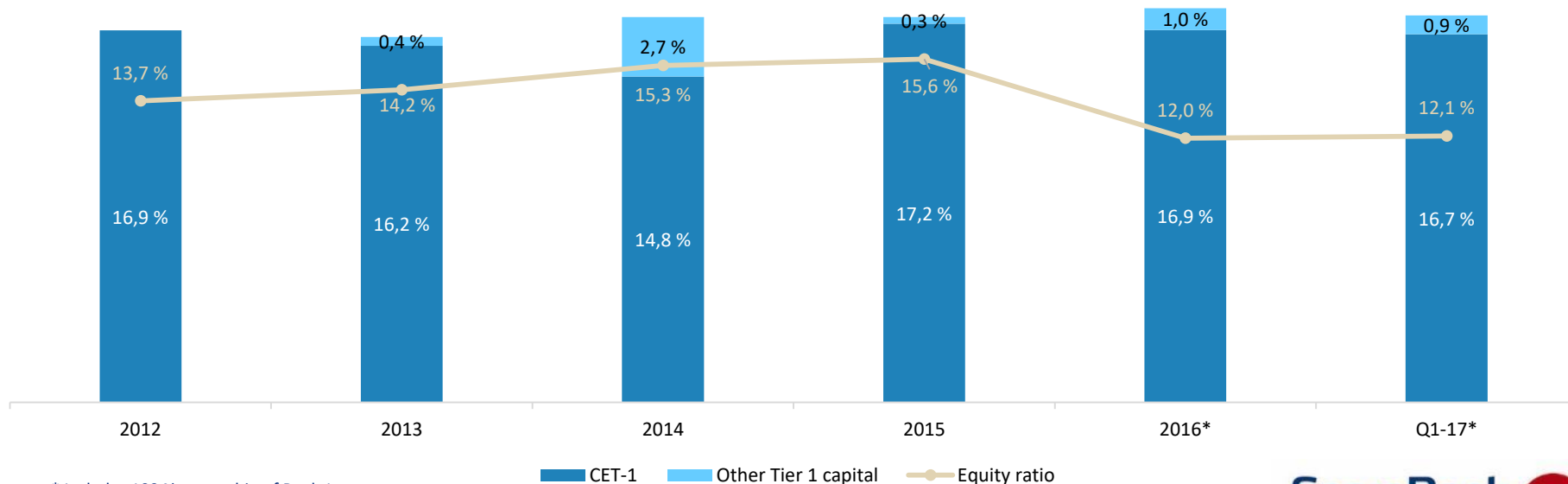
* Figures include loans transferred to covered bond companies, but not loans from SpareBank 1 Finans Østlandet.

Capital adequacy

The most solid regional savings bank. Maintains target of CET-1 of 16 % over time.

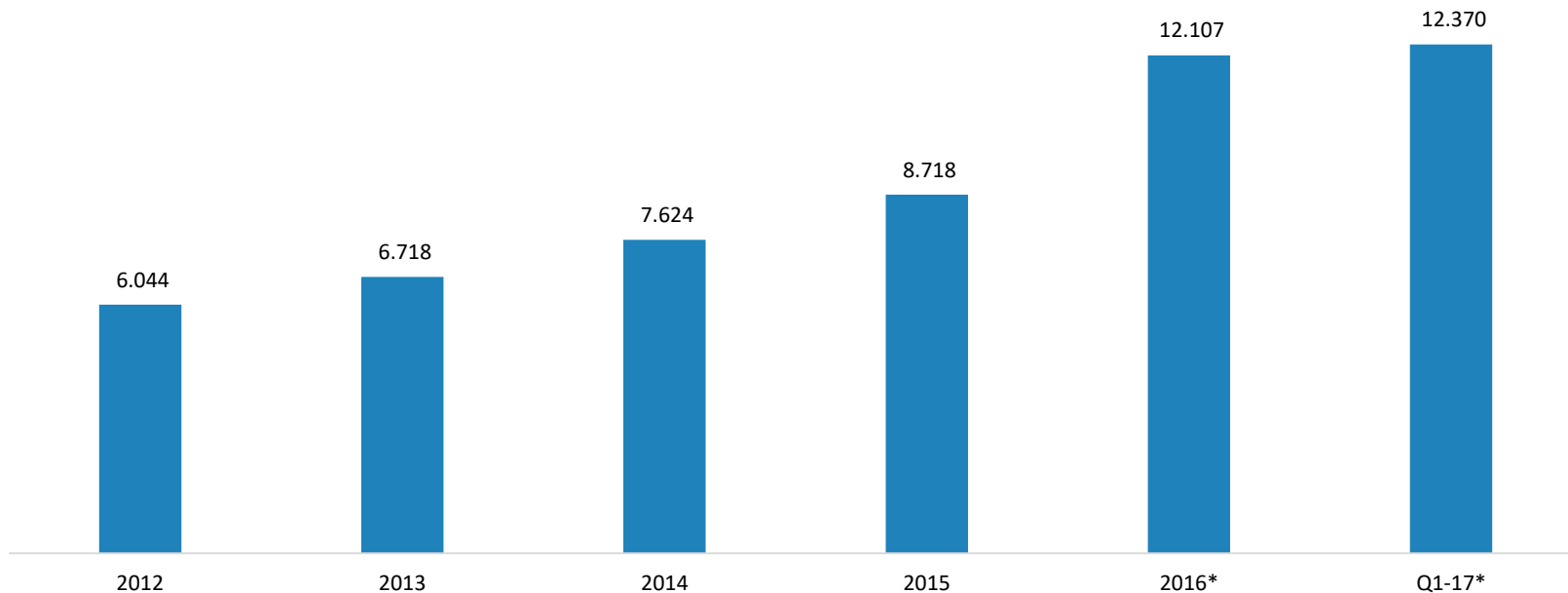
Measures of bank solidity for Sparebanken Hedmark (Group). %.

Leverage ratio in Q1 2017: 7,5%



Equity capital

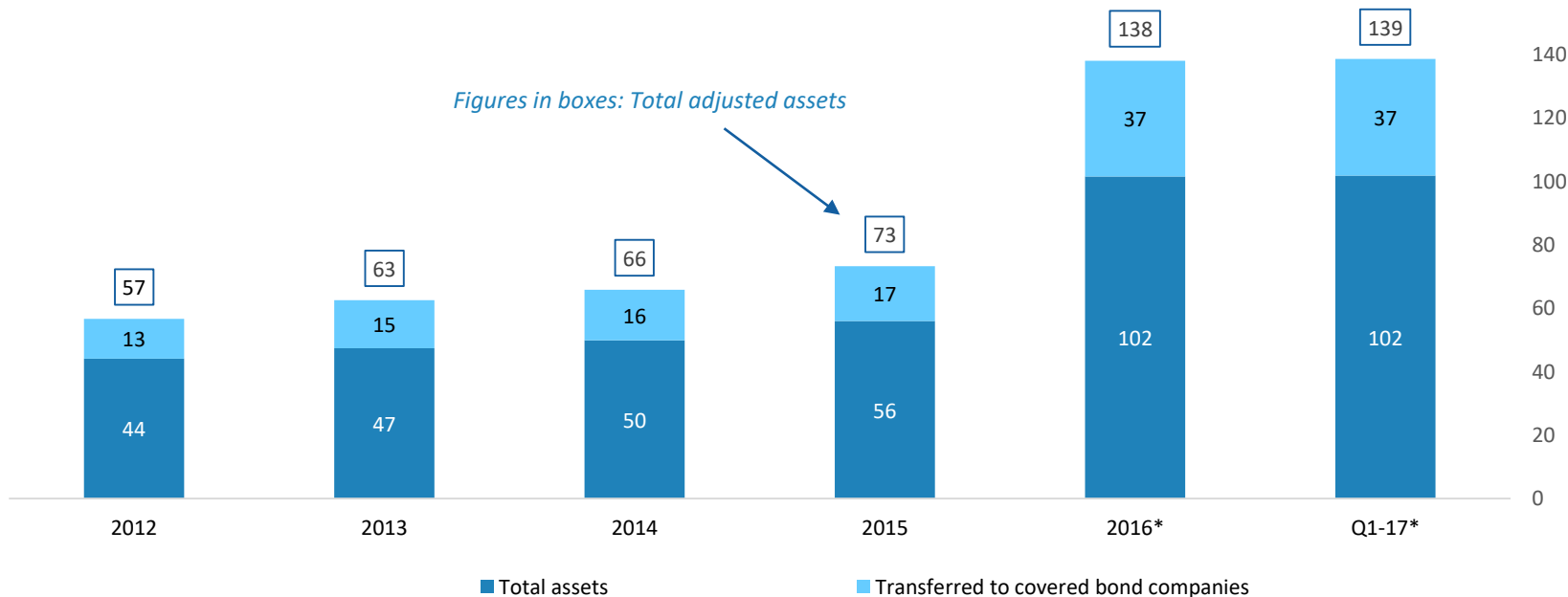
Equity capital. End-of-year balances. MNOK.



* Includes 100 % ownership of Bank 1.

Size of balance sheet

Total assets and total adjusted assets (incl loans transferred to covered bond companies). End-of-year balances. NOK bn.



* Includes 100 % ownership of Bank 1.

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