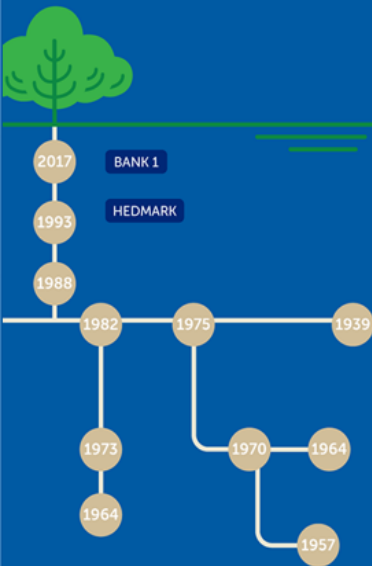




Financial results, 1st half year 2017

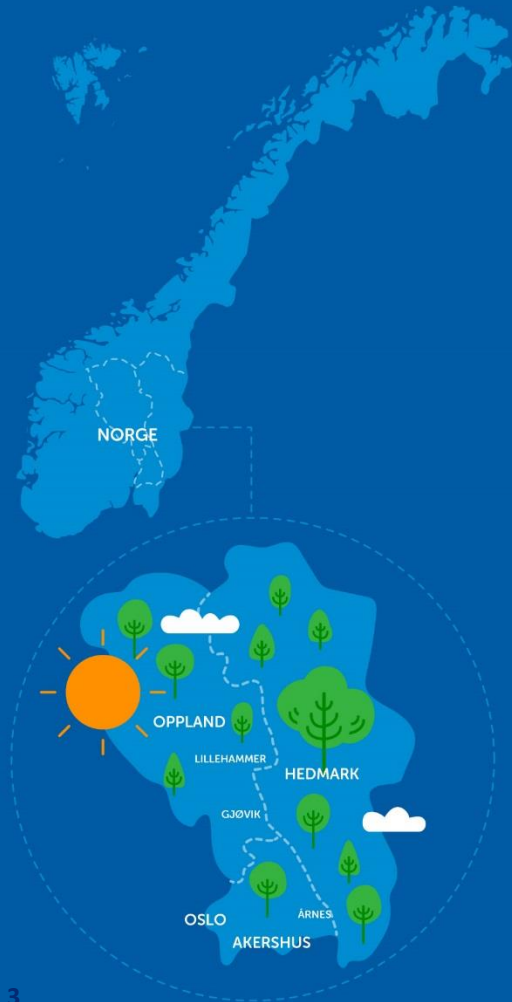
Merged bank, new name

- Sparebanken Hedmark and Bank 1 Oslo Akershus merged operations on April 1st 2017.
- New organisational structure and group management from the same date.
- The bank also changed its name to SpareBank 1 Østlandet. Rebranding will take place during 2017.
- The technical merger of the two banks (including digitale services) is planned for the autumn of 2017.
- The bank was listed on Oslo Børs on the 13th of June 2017. The equity certificates are traded under the ticker SPOL.
- Steady progress in the work of realizing synergies.



New SpareBank 1 Østlandet

- Norway's fourth largest savings bank, with roots reaching back to 1845.
- Head office in Hamar.
- Operations in Hedmark, Oppland, Oslo and Akershus with 1.7 mill. inhabitants.
- Equity certificate bank, owned by Sparebankstiftelsen Sparebanken Hedmark (54.1 %), LO and trade unions (14.8 %) and other investors (31.1 %). The employees as a group are the bank's 11th largest owner (0.9 %).
- Part of the SB1-Alliance, owns 12.4 % of SpareBank 1 Gruppen AS.
- Banking, leasing, accounting and real estate brokerage services.
- Total adjusted assets (inc. covered bond companies) of NOK 145 bn, with NOK 124 bn in loans and a retail share of 74 %.
- 290,000 customers, 38 bank branches, around 1,100 employees.





Summary of financials, Group

Improved profitability

Higher lending, improved margins

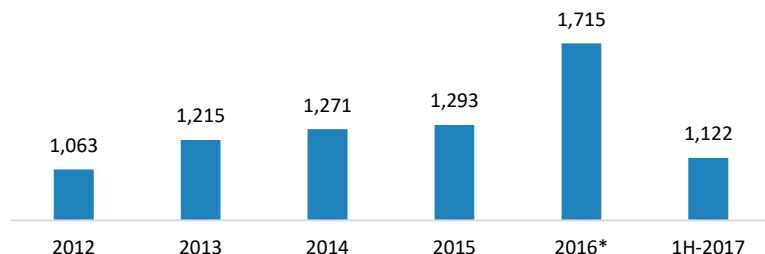
Net loan loss reversals

Norway's most solid regional savings bank

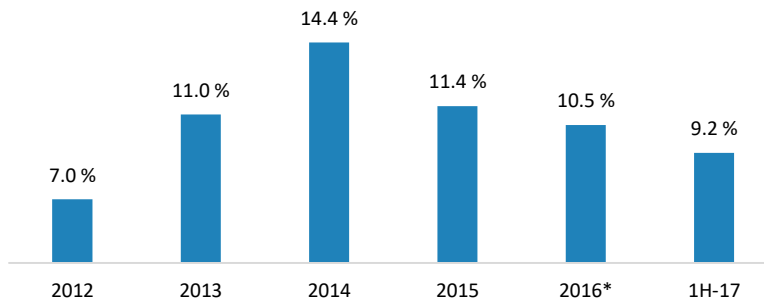
- Profits after tax in 1st half year 2017 for the Group of NOK 548 mn (1st half year 2016: 396), with a ROE of 9.2 % (8.2 %).
 - Improvement mainly driven by acquisition of 100% of Bank 1 Oslo Akershus.
 - Closure of defined benefit pension scheme in Bank 1 contributed positively. Other costs impacted by merger, with levels and progress and costs in line with plans.
 - Improved results from financial assets and liabilities.
- Net interest income in the 1st half year 2017 of NOK 956 mn (596).
 - High lending growth and increased corporate lending margins contributed positively.
 - Repricing of housing loans in the first half of the year has led to higher lending margins in the retail market.
- Net reversals on loan losses and guarantees of NOK 21 mn in the 1st half year 2017.
 - Low levels of defaulted and other doubtful commitments.
- CET1 ratio of 16.7 % at end of 1st half year (16.0 %).
 - Decline from Q4-2016 mainly due to lending growth.
 - Leverage ratio of 7.5 % (8.3 %).

Key financials – annual

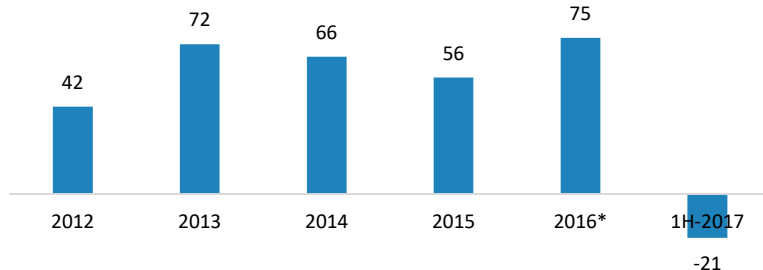
Net interest income and commission fees from covered bond companies (MNOK)



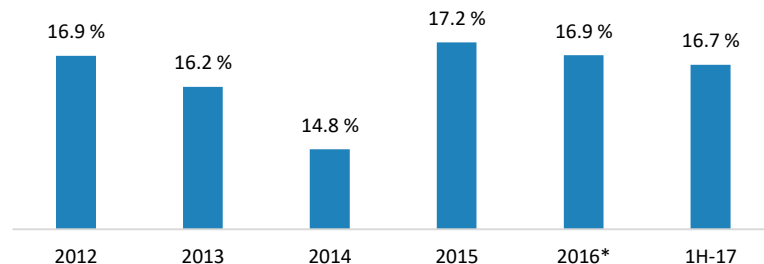
Return on equity after taxes (%)



Losses on loans and guarantees (MNOK)

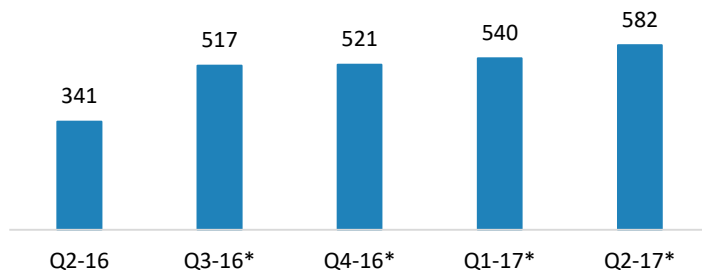


CET1 (%)

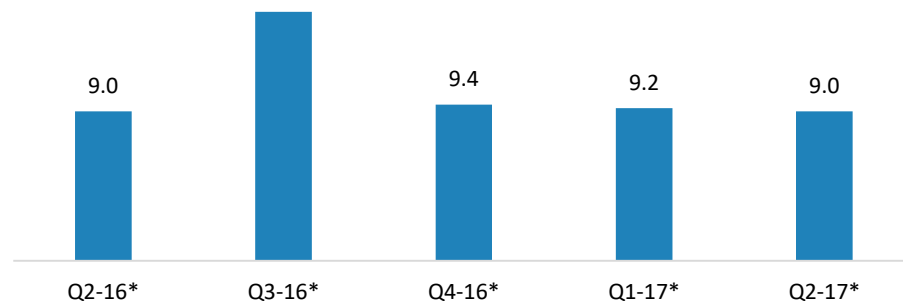


Key financials – quarterly

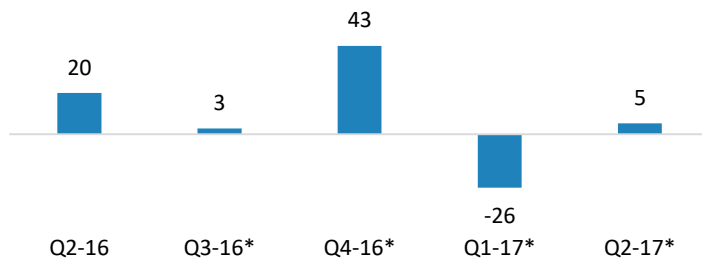
Net interest income and commission fees from covered bond companies (MNOK)



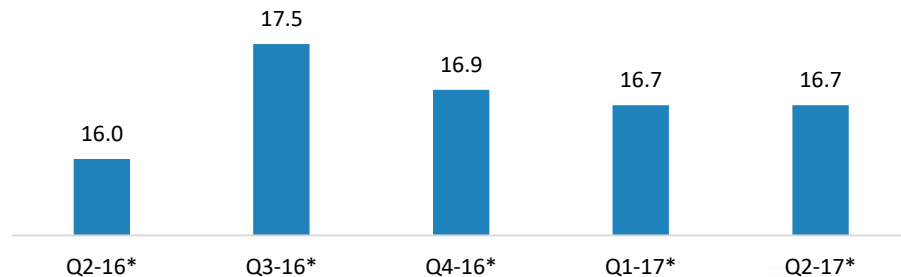
Return on equity after taxes (%)



Losses on loans and guarantees



CET1 (%)



Financial results

Financial reporting and the Bank 1-acquisition

- 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.

Main figures 1st half year 2017

Group, former Sparebanken Hedmark and Bank 1

	Q2-2017	Q2-2016	2016
Profitability			
Return on equity capital after tax	9.2 %	8.2 %	10.5 %
From the balance sheet			
Assets (NOK mn)	107,652	100,883	101,242
Total adjusted assets (NOK mn)	144,517	136,821	137,747
Lending growth last 12 months incl. transferred loans	8.0 %	88.4 %	89.5 %
Deposit growth during the last 12 months	6.4 %	88.6 %	88.5 %
Deposits to loan ratio	76.2 %	79.0 %	76.0 %
Financial strength			
Common Equity Tier 1 capital ratio	16.7 %	1.0 %	16.9 %
Tier 1 capital ratio	17.6 %	16.7 %	17.9 %
Capital adequacy ratio	19.9 %	18.6 %	20.3 %
Leverage ratio	7.5 %	8.3 %	7.4 %
Other key figures			
Total operating costs in relation to total income	56.7 %	49.7 %	45.4 %
Losses in % of gross loans	0.0 %	0.1 %	0.1 %
Problem loans in % of gross loans	0.6 %	0.7 %	0.6 %

Key figures Equity Certificates

	Q2-2017
ECCs	
Market price (NOK)	79.25
Market capitalisation (NOK million)	8,494.00
Book equity per EC ¹⁾	77.01
Earnings per EC, NOK ²⁾	3.46
Price/Earnings per EC ³⁾	11.45
Price/book equity ⁴⁾	1.06

1) Group book equity without hybrid capital with interest paid, minority interest and provision for gifts* ownership interest / number of EC's as at 30.06.2017.

2) Profit after tax for controlling interests * Equity capital certificate ratio as at 30.06.17 / number of EC's as at 30.06.2017.

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 30.06.17.

Income statement 1st half year 2017

	Q2-2017	Q2-2016	2016
Net interest income	956	491	1,490
Net commission income	526	271	759
Other income	98	45	180
Total operating expenses	915	478	1,203
Result bank operation before losses	665	329	1,226
Losses on loans and guarantees	-21	5	75
Result bank operation after losses	686	324	1,151
Dividends	11	2	46
Net profit from ownership interest	36	30	234
Net income from financial assets/liabilities	-13	2	-60
Profit/loss before tax	719	358	1,371
Tax charge	171	84	271
Profit/loss after tax	548	274	1,100
Return on equity capital after tax	9.2 %	8.2 %	10.5 %
Total operating costs in relation to total income	56.7 %	49.7 %	45.4 %
Losses on loans as a percentage of gross loans	0.0 %	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>	Q2-2017	Q2-2016	2016
Parent Bank's profit after tax	563	433	964
Dividends received from subsidiaries and joint ventures	-243	-256	-389
Profit /loss attributable to:			
SpareBank 1 Gruppen AS	86	80	192
Bank 1 Oslo Akershus AS (Q1-2017)	116	67	243
SpareBank 1 Boligkreditt AS	-43	12	-23
SpareBank 1 Næringskreditt AS	1	0	2
EiendomsMegler 1 Hedmark Eiendom AS	10	10	14
EiendomsMegler 1 Oslo Akershus konsern	3	4	7
SpareBank 1 Finans Østlandet AS	62	39	86
SpareBank 1 Regnskapshuset Østlandet AS	3	4	2
SpareBank 1 Kredittkort AS	8	7	17
SpareBank 1 Mobilbetaling AS	-15	-7	-25
Other companies	-4	3	12
Consolidated profit after tax	548	396	1,102

* «Q1-2016»: Ownership share of 40.5 % in Bank 1 and EiendomsMegler 1 Oslo Akershus AS.

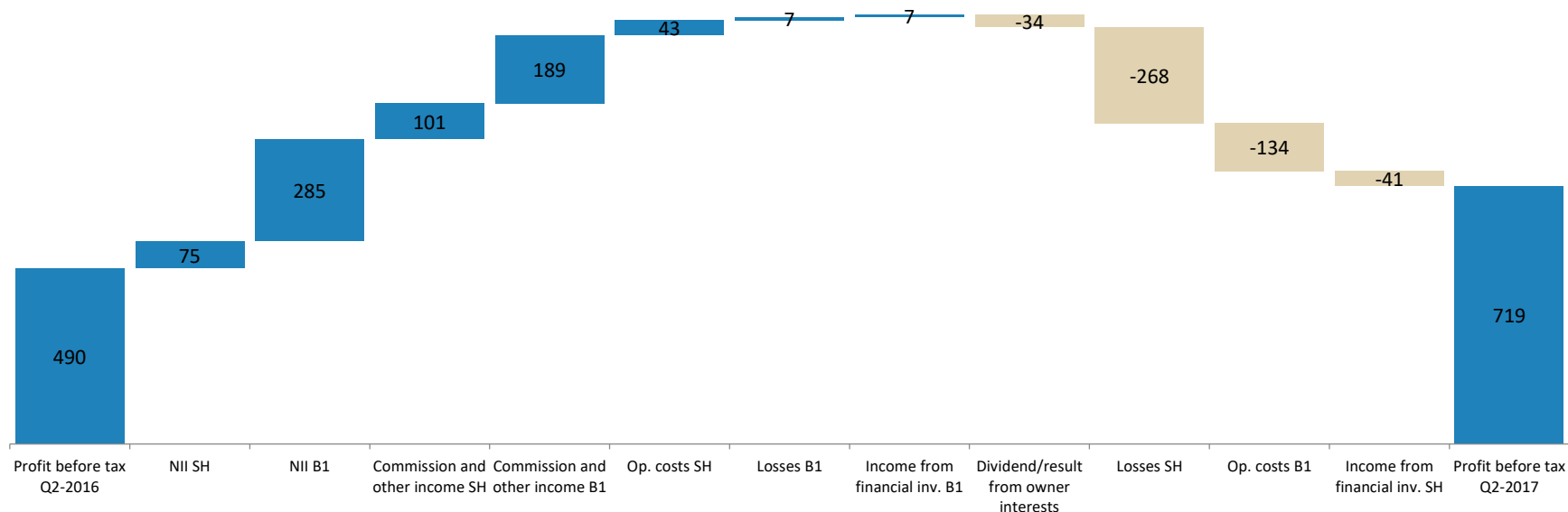
«2016»: 40.5 % ownership share for first half of the year, then 100 % ownership in Bank 1.

Profits 1st half year 2017 vs proforma profits 1st half year 2016

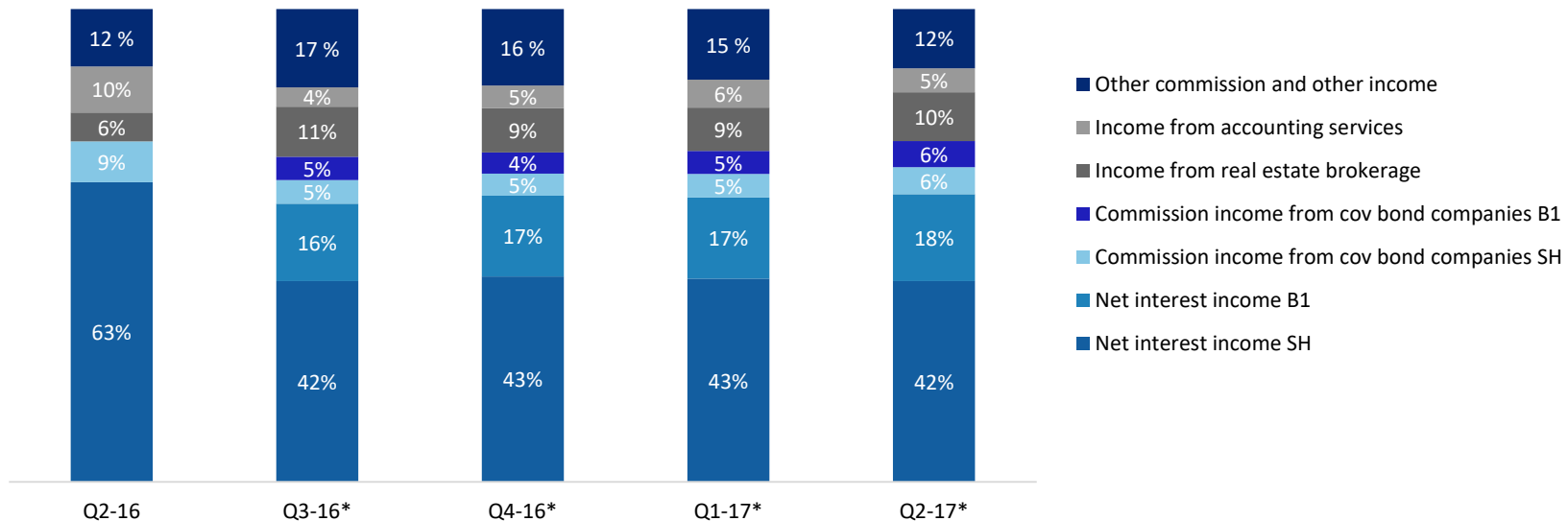
	Reported Q2 2017	Adjusted Q2 2016	Change in amount	Reported Q2 2016
Net interest income	956	845	111	596
Net commission income	526	515	11	234
Other income	98	109	-11	100
Total operating expenses	915	882	33	513
Result bank operation before losses	665	587	78	417
Losses on loans and guarantees	-21	40	-61	29
Result bank operation after losses	686	547	139	388
Dividends	11	76	-65	45
Net profit from ownership interest	36	116	-80	166
Net income from financial assets/liabilities	-13	-104	91	-109
Profit/loss before tax	719	635	84	490
Tax charge	171	136	35	94
Profit/loss after tax	548	499	49	396

Change in profit from 1H-2016 to 1H-2017

Contribution to changes in profit before tax from 1H-16 to 1H-17. SpareBank 1 Østlandet (Group). MNOK.



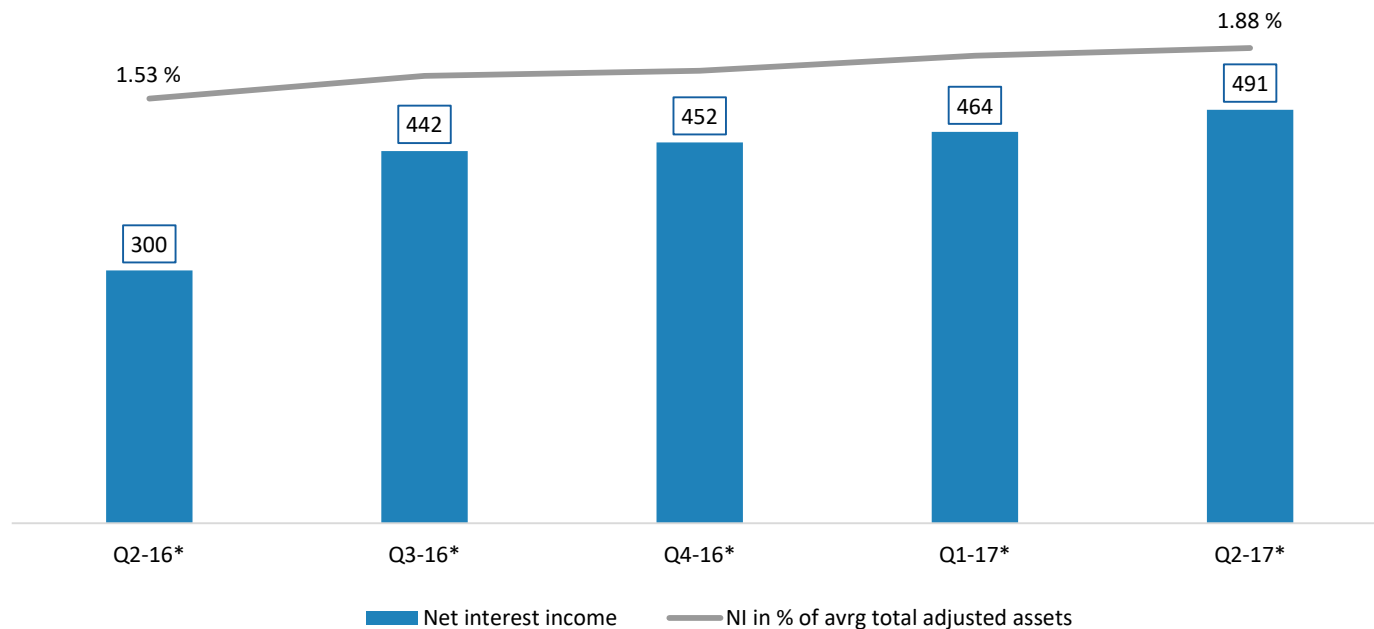
Group income profile



* Includes 100 % ownership of Bank 1.

Net interest income

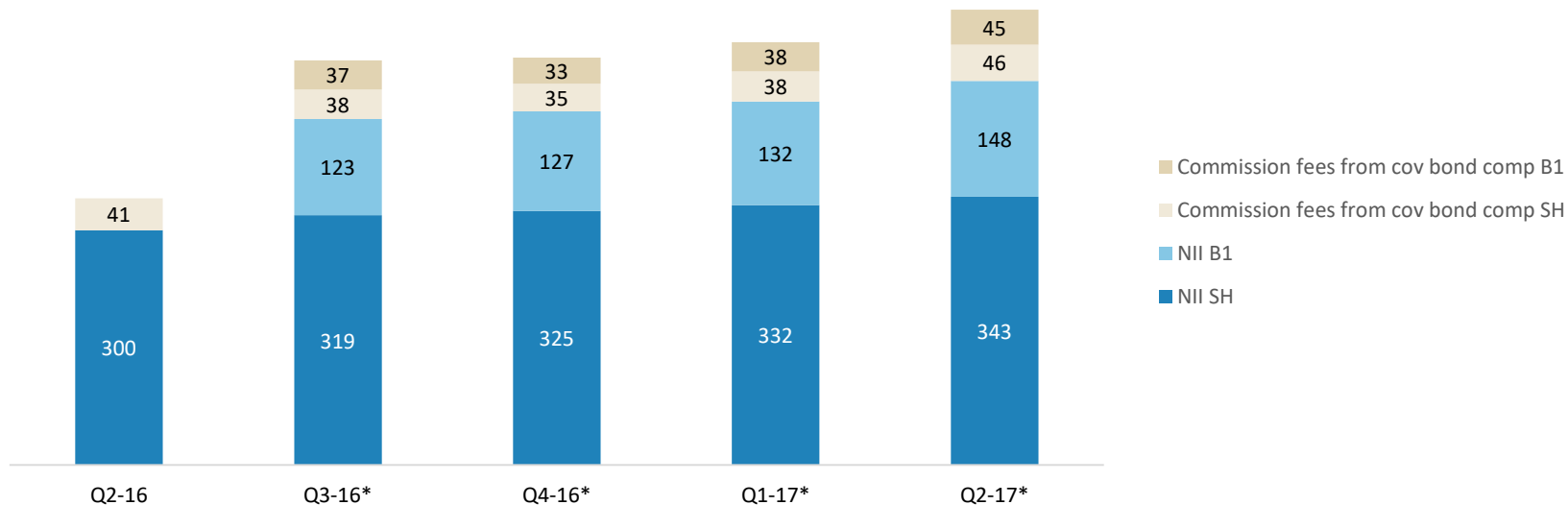
Interest income excl. commissions from covered bond companies.



* 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.

Net interest income

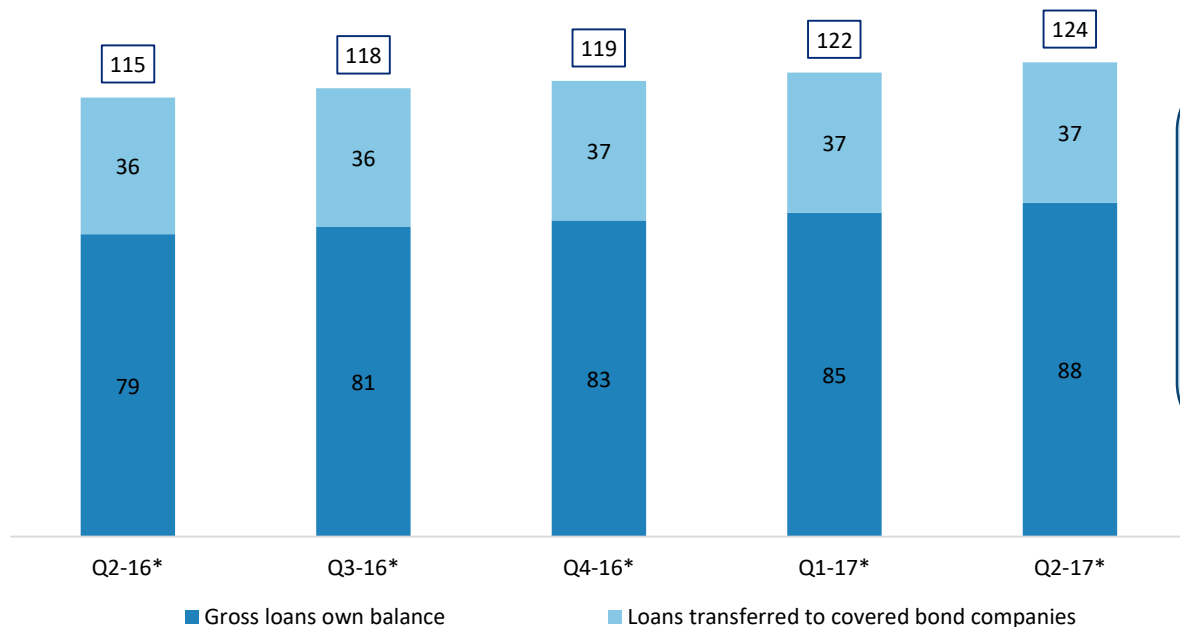
Interest income incl. commissions from covered bond companies



* 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.***



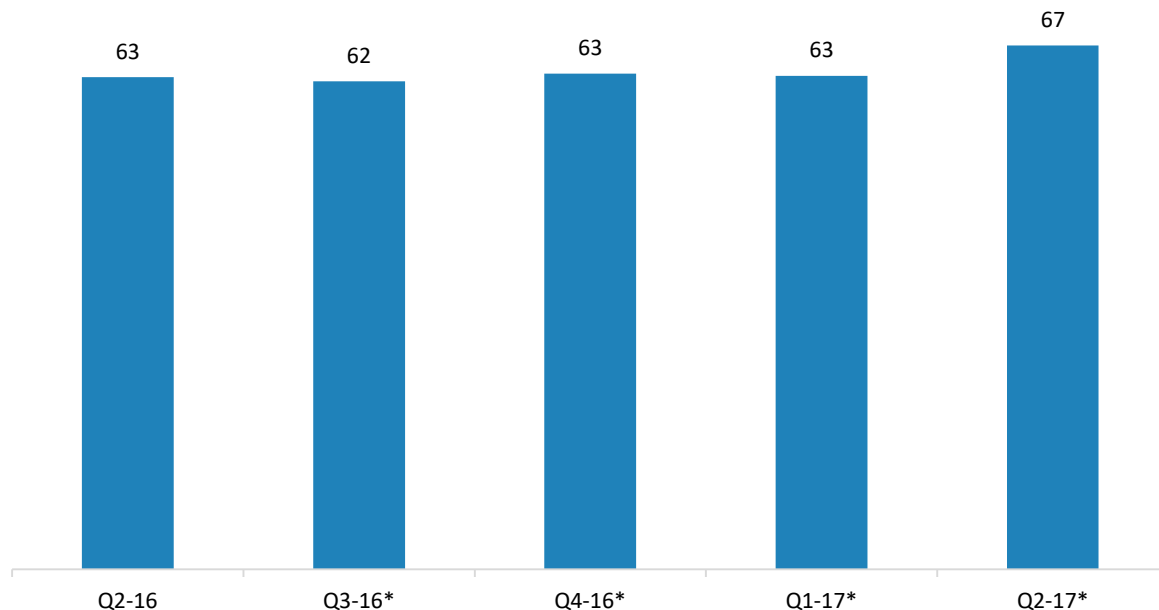
- Lending growth last 12 months 8.0 %
 - Retail 7.2 %
 - Corporate 10.1 %

* Includes 100 % ownership of Bank 1.

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

Deposit volumes

Deposits. NOK bn.



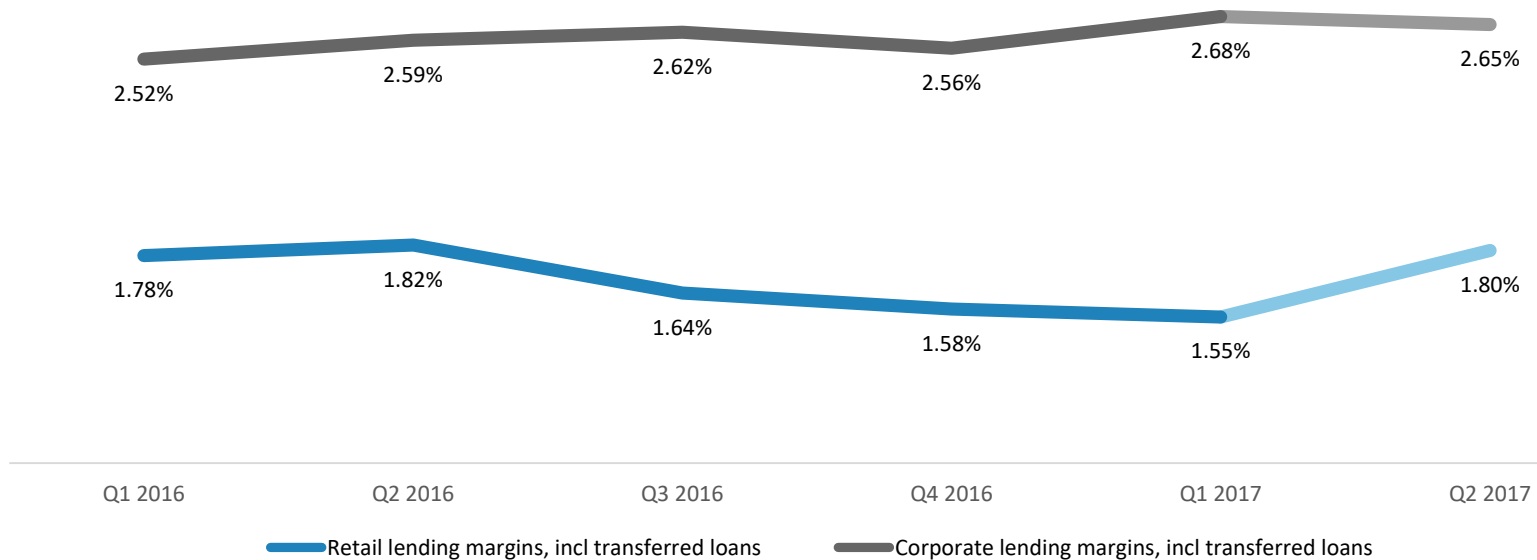
- Deposit growth last 12 months 6.4 %
 - Retail 7.3 %
 - Corporate 5.2 %
- Deposit to loan ratio 76.2 %
- Deposit to loan ratio including transferred loans 54.0 %

* Includes 100 % ownership of Bank 1.

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

Lending margins

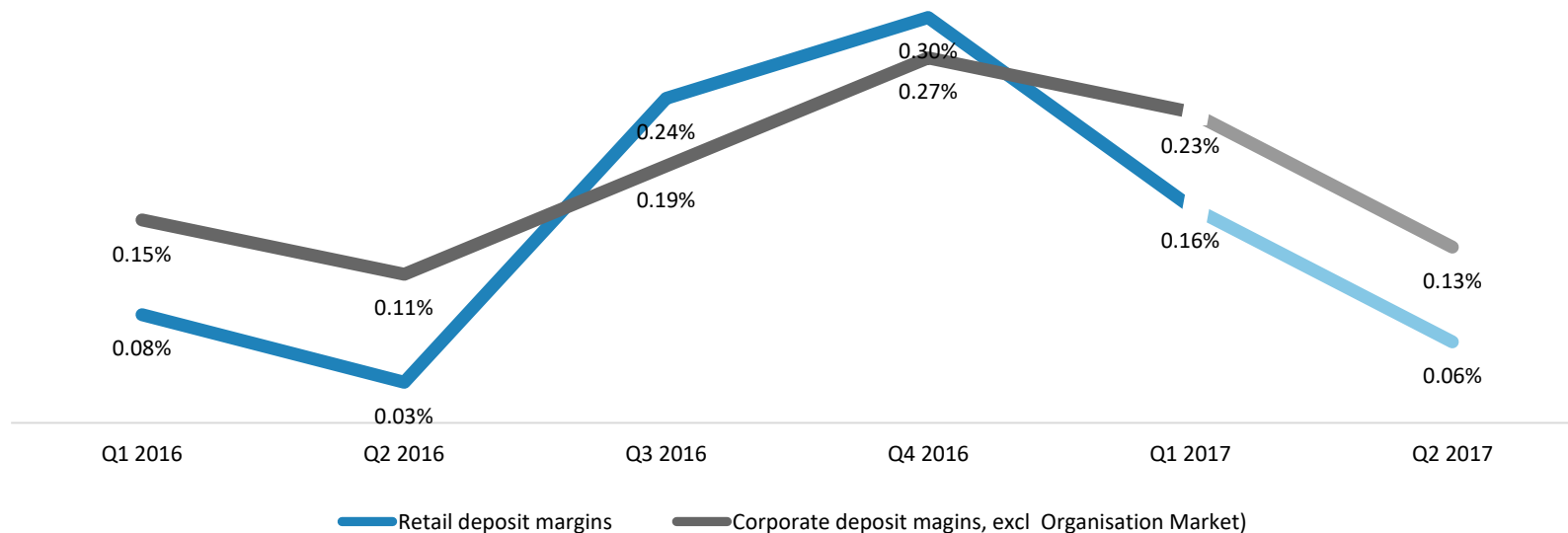
*Retail and corporate lending margins, incl transferred loans. %.**



* Proforma includes 100 % ownership of Bank 1 for the periode Q1-2016 to Q1-2017. From Q2-2017 reported figures are used.

Deposit margins

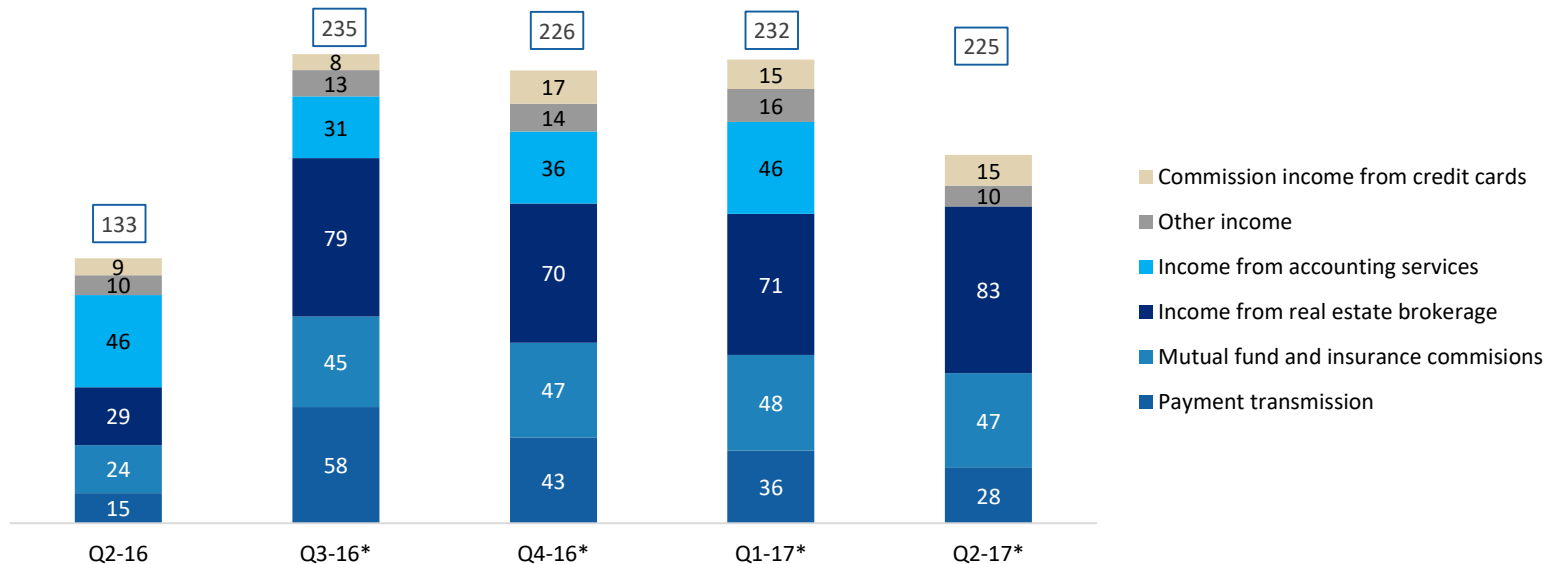
*Retail and corporate (excl Organisation Market) deposit margins. %.**



* Proforma includes 100 % ownership of Bank 1 for the period Q1-2016 to Q1-2017. From Q2-2017 reported figures are used.

Net commission and other income

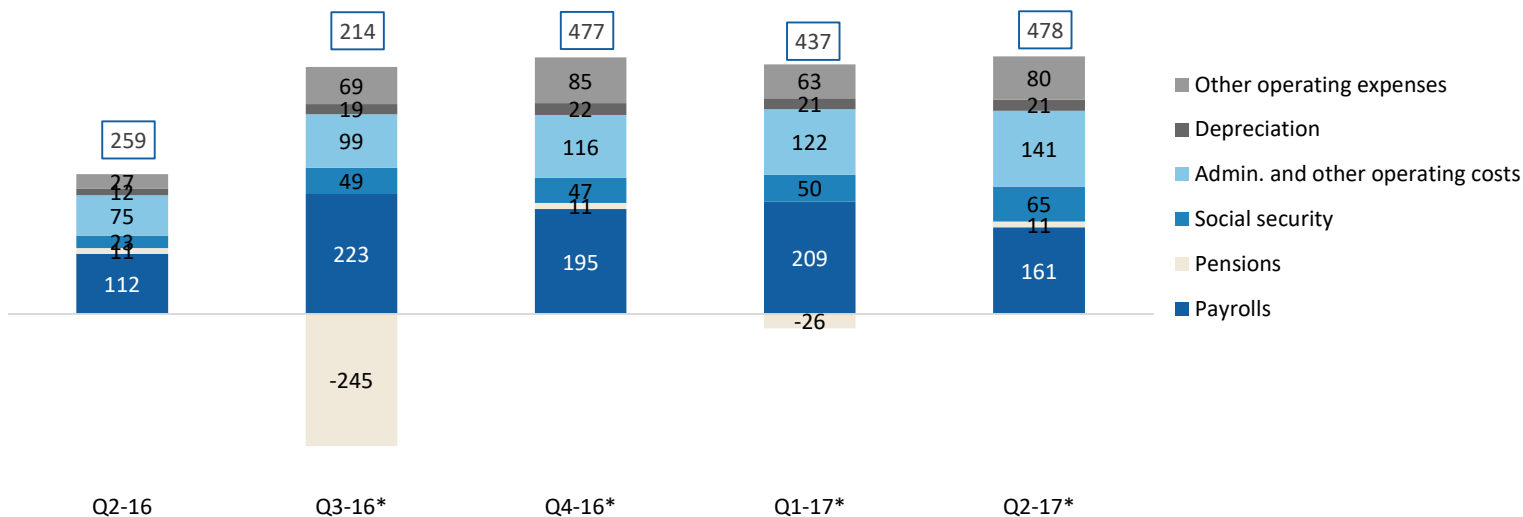
*Commission and other income, by type. MNOK.**



* Includes 100 % ownership of Bank 1.

Operating expenses

*Operating expenses, by type. MNOK.**

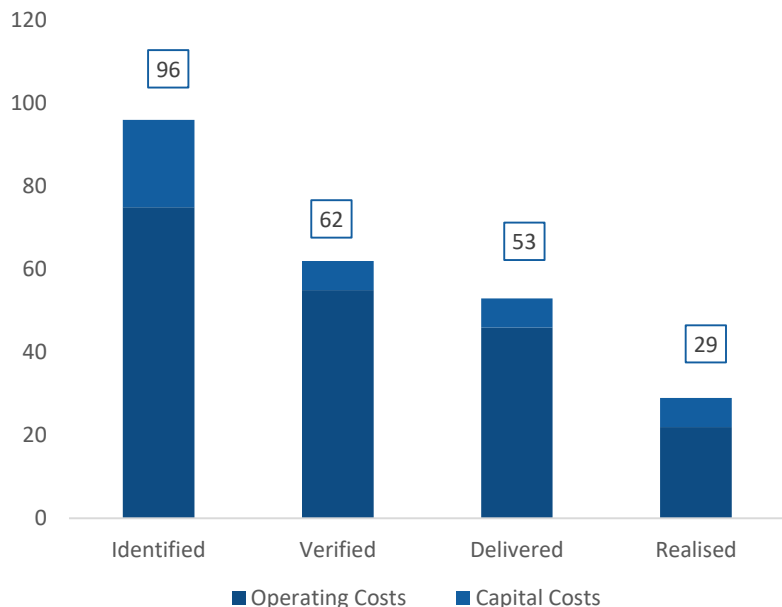


* Includes 100 % ownership of Bank 1.

Costs - in-depth information

- The costs in the 1st half of the year are characterized by special circumstances
 - NOK 31 mn has been expensed in connection with the listing of the company, of which NOK 14 mn relates to a private placement on new ECCs towards the employees of the bank.
 - NOK 19 mn are expenses connected to the merger process, with NOK 11 mn due to severance pay.
 - Bank 1 Oslo Akershus posted a gain of NOK 53 mn 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 NOK 12 mn in 1Q-2017.
- The newly imposed financial tax led to a cost increase of NOK 13 mn in 1H-2017

Costs - status synergies



The goal of at least NOK 75 mn in lasting cost synergies from 2018 is confirmed.

The main sources are

- Reduced work force, reduced duplication of IT systems, reduced costs from SB1 Banksamarbeidet.
- The work force is reduced by 32 FTEs during the last 12 months. The reductions are mainly due to the reorganisation and new management structure after the merger.
- After technical merger, crew adjustments will be made

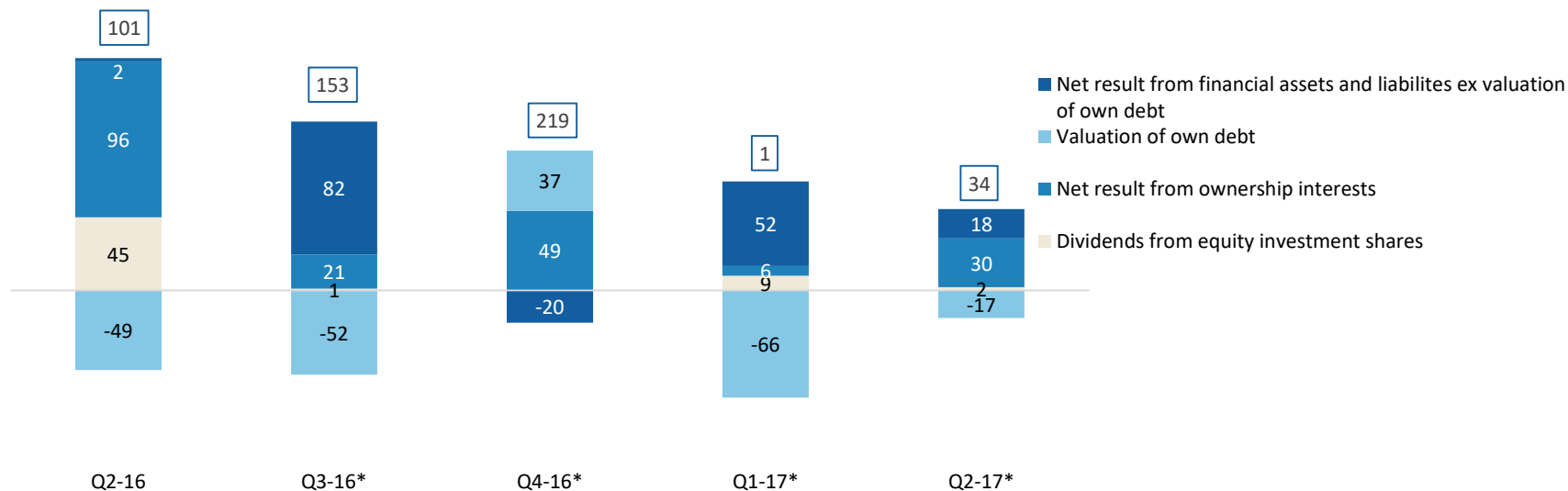
In addition to reduced operating costs, capital cost reductions have been identified and partly realized.

- These are, among other things, linked to reduced administration premiums in the settlement rate from mortgage companies.

During the 1st half year 2017, NOK 19 mn was expensed in connection with the merger process.

Financial assets and liabilities

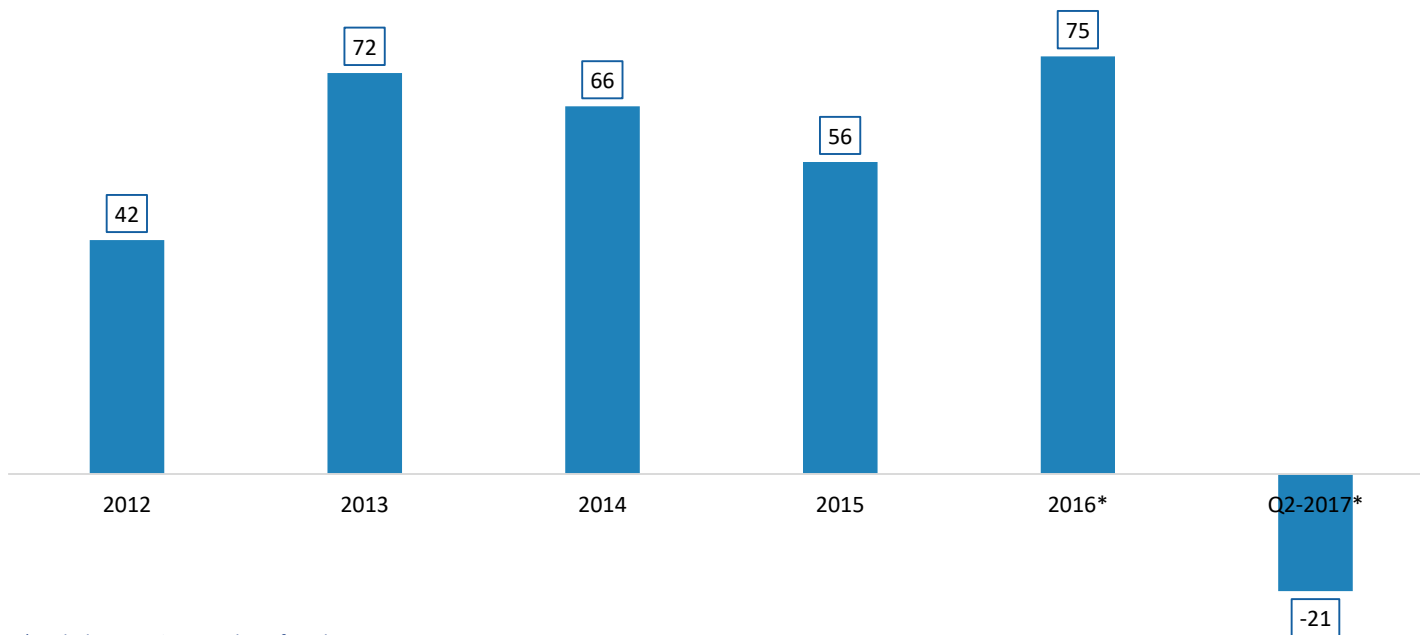
*Net income from financial assets and liabilities, by type. MNOK.**



* Includes 100 % ownership of Bank 1.

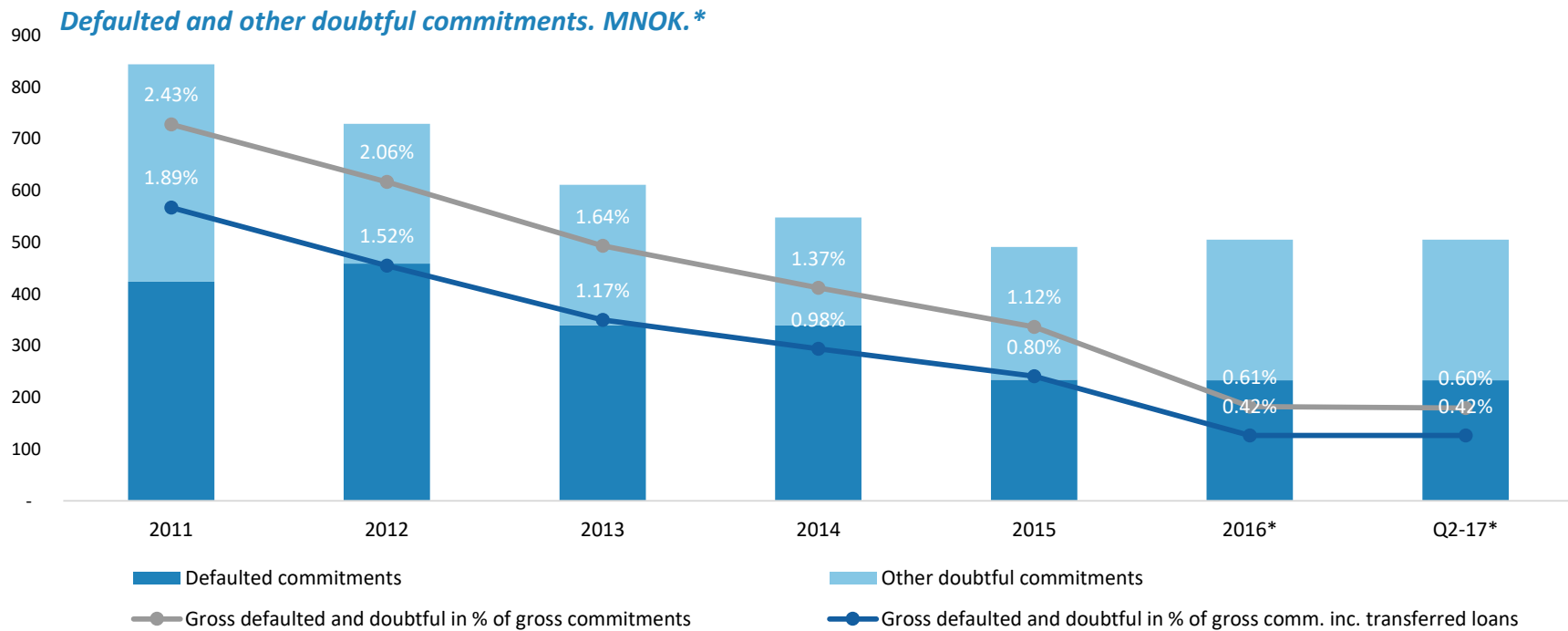
Losses

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



* Includes 100 % ownership of Bank 1.

Problem loans



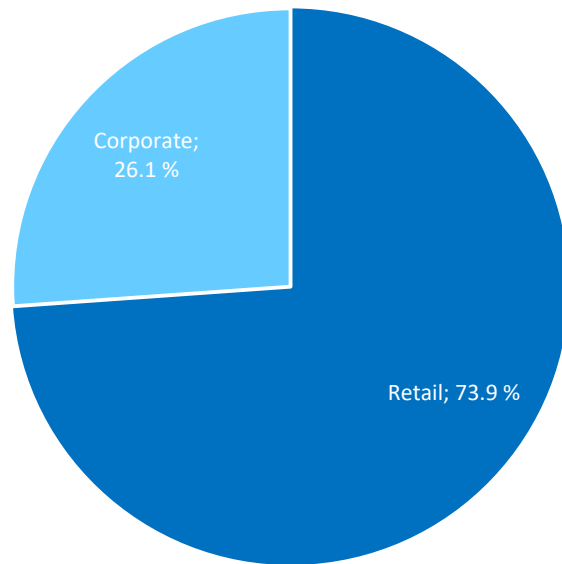
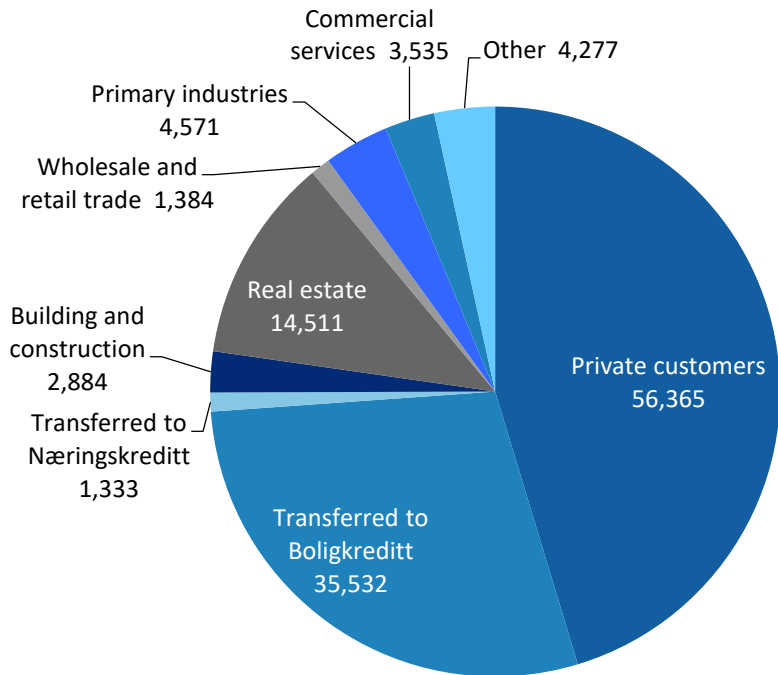
* Includes 100 % ownership of Bank 1.

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.

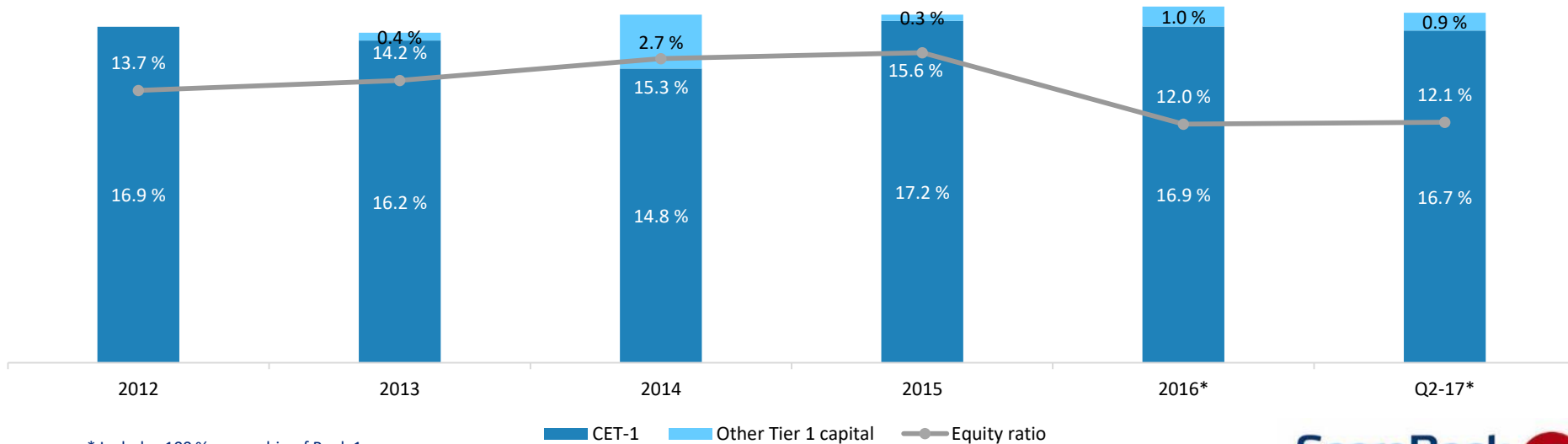


Capital adequacy

The most solid regional savings bank. Maintains target of CET1 of 16 % over time.

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

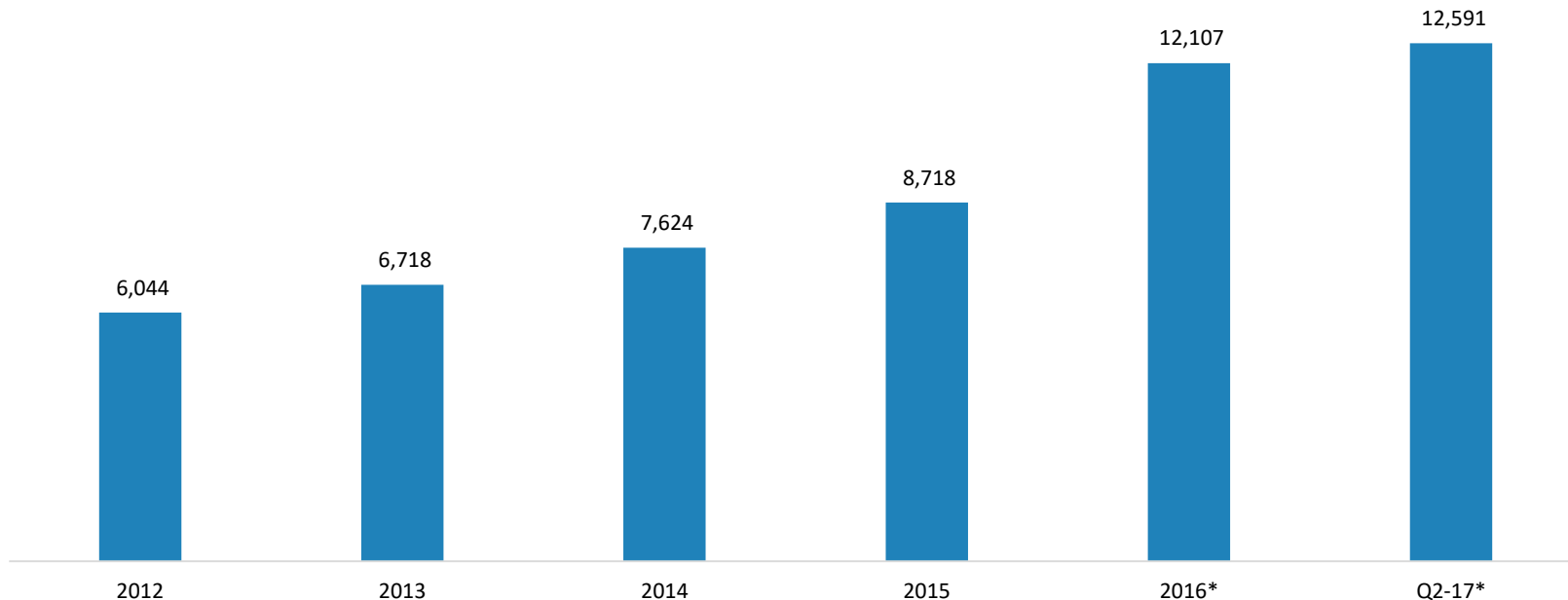
Leverage ratio in Q2-2017: 7.5%



* Includes 100 % ownership of Bank 1.

Equity capital

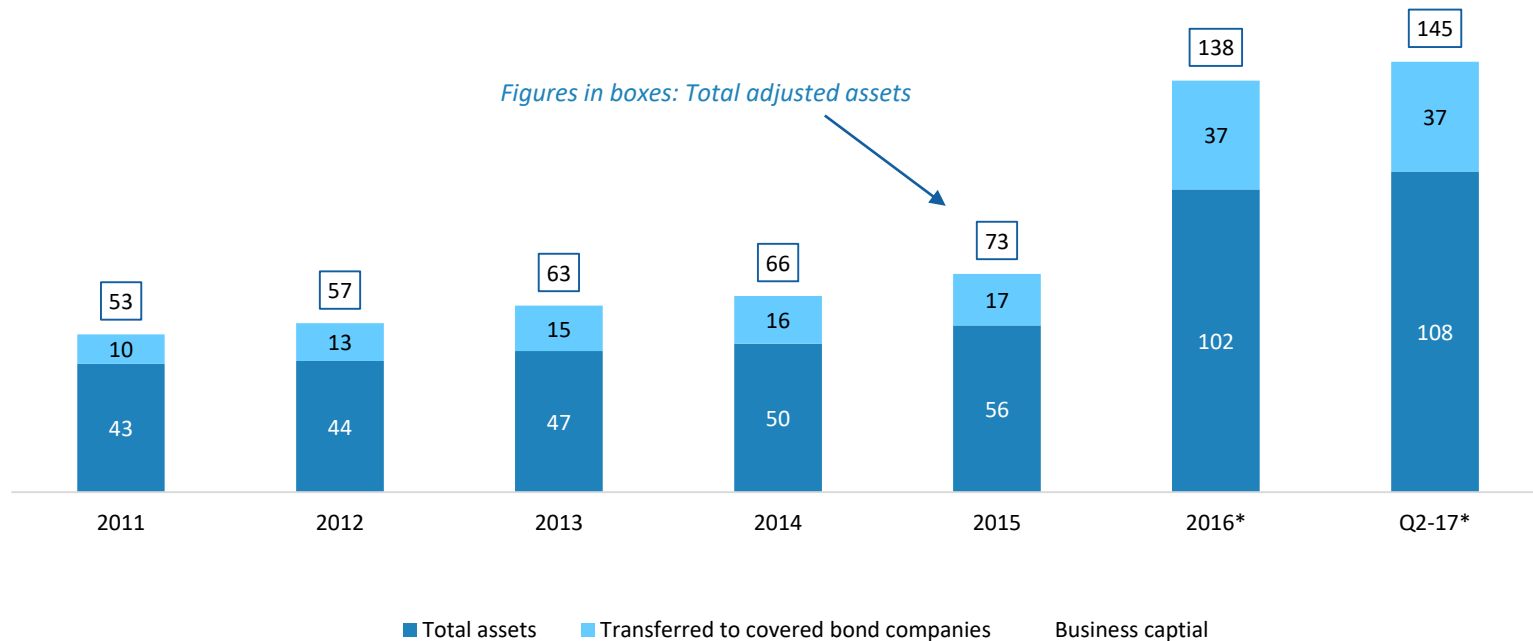
Equity capital. End-of-year balances. MNOK.



* 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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