Investor Presentation | Private Placement of NOK 700 million | **8 November 2018**

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Joint Bookrunners:

Pareto Securities

SpareBank 1 MARKETS

Important information

Disclaimer (I)

ABOUT THIS PRESENTATION

This document has been prepared by SpareBank 1 Østlandet (the “Bank“, and together with its subsidiaries, “the Group”)) solely for the use at an investor presentation related to the private placement (the “Private Placement") of equity certificates issued by the Bank (“ECC”), and no copy of the document will be left behind after this meeting. For the purposes of this notice, the presentation that follows (the "Presentation") shall mean and include the slides that follow, the oral presentation of the slides by the Bank, the question-and-answer session that follows that oral presentation, hard copies of this document and any materials distributed at, or in connection with, that presentation. By attending the meeting at which the Presentation is made, or by reading the Presentation slides, you will be deemed to have (i) agreed to all of the following restrictions and made the following undertakings and (ii) acknowledged that you understand the legal and regulatory sanctions attached to the misuse, disclosure or improper circulation of the Presentation.

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RISK FACTORS

An investment in the Bank involves significant risk, and several factors could adversely affect the business, legal or financial position of the Bank or the value of its securities. The Recipient should carefully review the chapter “Risk Factors” in the Presentation for a description of certain of the risk factors that will apply to an investment in the Bank’s securities. Should one or more of these or other risks and uncertainties materialize, actual results may vary significantly from those described in this Presentation. An investment in the Bank is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.

NO UPDATES

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Important information

Disclaimer (II)

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The contents of this Presentation shall not be construed as financial, legal, business, investment, tax or other professional advice. The Recipient should consult with its own professional advisers for any such matter and advice.

FORWARD LOOKING STATEMENTS

This Presentation contains certain forward-looking statements relating to inter alia the business, financial performance and results of the Bank and the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, and similar expressions.

Any forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Bank or cited from third party sources, are solely opinions and forecasts and are subject to risks (including those described in the chapter “Risk Factors” in the Presentation), uncertainties and other factors that may cause actual results and events to be materially different from those expected or implied by the forward-looking statements. None of the Bank or the Managers or any of their Representatives provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor do any of them accept any responsibility for the future accuracy of opinions expressed in this Presentation or the actual occurrence of forecasted developments.

CONFLICT OF INTEREST

The Managers are acting as financial advisor to the Bank in connection with the Private Placement and for no one else, and will not be responsible to anyone other than these persons for providing the protections afforded to their clients or for providing advice in relation to the Private Placement, the contents of this Presentation or any matters referred to herein. The Managers and/or their affiliates or employees may hold equity capital certificates, bonds, options or other securities of the Bank and may, as principal or agent, buy or sell such securities. The Managers may have other financial interests in transactions involving such securities.

TARGET MARKET

Solely for the purposes of the manufacturer's (as used herein, "Manufacturer" refers to the Managers) product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: the manufacturer Target Market (MIFID II product governance) for the Private Placement is eligible counterparties and professional clients and retail clients (all distribution channels). Negative target market: An investment in the offer ECCs is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile.

GOVERNING LAW AND JURISDICTION

This Presentation is subject to Norwegian law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Norwegian courts.

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The recipient warrants and represents that (i) if it is located within the United States and/or is a U.S. person or in the United States, it is a QIB, (ii) if it is a resident in the United Kingdom, it is a Relevant Person.

Important information

Risk factors (I)

An investment in the ECCs involves risk. Prospective investors should carefully consider the risks outlined in this chapter, as well as the information contained elsewhere in the Presentation, before deciding whether or not to invest in the ECCs. If any of the following risks were to materialise, this could have a material adverse effect on the Bank, its financial condition, results of operations, liquidity and/or prospects, the trading value of the ECCs could decline, and investors may lose all or part of their investment. The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on the Bank. The Bank has implemented risk management and internal control procedures to manage and control the different risks to which it is exposed.

There may not be an active and liquid market for the ECCs and the price of the ECCs could fluctuate significantly

An investment in the ECCs is associated with a high degree of risk and the price of the ECCs may not develop favorably.

The equity capital certificate prices of publicly traded banks can be highly volatile and the price of the ECCs could fluctuate substantially due to various factors, some of which could be specific to the Bank and its operations, and some of which could be related to the industry in which the Bank operates or equity markets generally. Some of the factors that could negatively affect the ECC price or result in fluctuations in the price or trading volume of the ECC including, for example, changes in the Bank's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the strategy, as well as the evaluation of the related risks, changes in general economic conditions, changes in consumer preferences, an increase in market interest rates, changes in holders of equity capital certificates and other factors. As a result of these and other factors, the ECCs may trade at prices significantly below the subscription price.

Market volatility and volume fluctuations have affected and continue to affect the market prices of securities issued by many banks, and may occur without regard to the operating performance of the banks. The market price of the ECCs may decline, and the ECCs may trade at prices significantly below the subscription price, regardless of the Bank's actual operating performance, and there can be no assurances as to the liquidity of any market for the ECCs, investors' ability to sell their ECCs or the prices at which investors would be able to sell their ECCs.

One of the factors that could also influence the price of the ECCs is its annual dividend yield, as compared to yields on other financial instruments. Thus, an increase in market interest rates will result in higher-yields on other financial instruments, which could adversely affect the price of the ECCs.

The Foundation is expected to be able to determine the election of representatives for the ECC-holders on the Bank's supervisory board and may take actions that are not in, or may conflict with, the other ECC-holders' best interests

According to the Foundation's articles of association, it shall hold at least 50% of the ECCs and will be able to determine the election of representatives for the ECC holders on the Bank's Supervisory Board (which currently constitutes 12 out of 40 members). Consequently, the Foundation may elect representatives that are not in, or may conflict with, the other ECC holders' best interests.

Pre-emptive rights to subscribe for ECCs in additional issuances could be unavailable to U.S. or other holders of equity capital certificates

Under Norwegian law, unless otherwise resolved at the meeting of the Supervisory Board, existing holders of equity capital certificates have pre-emptive rights to participate on the basis of their existing ownership of ECCs in the issuance of any new ECC. Holders of equity capital certificates in the United States, however, could be unable to exercise any such rights to subscribe for new ECCs unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and ECC or an exemption from the registration requirements under the U.S. Securities Act is available. Holders of equity capital certificates in other jurisdictions outside Norway could be similarly affected if the rights and the new ECCs being offered have not been registered with, exempted from, or approved by, the relevant authorities in such jurisdiction.

Future sales, or the possibility for future sales, of ECCs may affect the market price of the ECCs

The Group cannot predict what effect, if any, future sales of the ECCs, or the availability of ECCs for future sales, will have on the market price of the ECCs. Sales of substantial amounts of the ECCs in the public market following the Private Placement, including by the ECC holders, or the perception that such sales could occur, could adversely affect the market price of the ECCs, making it more difficult for holders to sell their ECCs or the Bank to sell equity securities at a time and price that they deem appropriate.

Investors could be unable to exercise their voting rights for ECCs registered in a nominee account

Beneficial owners of the ECCs that are registered in a nominee account (such as through brokers, dealers or other third parties) could be unable to vote for such ECCs at the election meetings for the ECC holders unless their ownership is re-registered in their names with the VPS prior to the relevant election meeting. There can be no assurances that beneficial owners of the ECCs will receive the notice of any such meeting in time to instruct their nominees to either effect a re-registration of their ECCs or otherwise vote their ECCs in the manner desired by such beneficial owners.

Investors could risk write-down of the equity share capital in case of payment difficulties and capital adequacy difficulties

In case the Bank may experience payment difficulties or capital adequacy difficulties, the Norwegian FSA and/or the Ministry of Finance may impose several measures on the Bank, including write down of the equity share capital. In case only 25% or less of the equity share capital is intact, and the Bank itself does not decide to write down the equity share capital against losses, the Ministry of Finance may decide that the equity share capital shall be written down by the amount of capital shown to have been lost. If it is necessary in order to secure continued satisfactory operation of the Bank, the Ministry of Finance may also stipulate that the equity share capital shall be increased by new subscription of ECCs, and set the further terms and conditions for subscription, including that the ECC holder's preferential rights may be departed from.

Investors could be unable to recover losses in civil proceedings in jurisdictions other than Norway

The Bank is a savings bank organised under the laws of Norway. The members of the Board of Directors and Management reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Bank, to enforce against such persons or the Bank judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Bank in other jurisdictions.

The transfer of ECCs is subject to restrictions under the securities laws of the United Sates and other jurisdictions

The ECCs have not been registered under the U.S. Securities Act or any U.S. state securities laws or any other jurisdiction outside Norway and are not expected to be so in the future. As such, the ECCs may not be offered or sold except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Similar limitations on transfer may apply in other jurisdictions. In addition, there are no assurances that holders of equity capital certificates residing or domiciled in the United States or other countries will be able to participate in future capital increases or rights offerings.

The Bank is exposed to operational risks related to systems and processes and inadequacy in internal control procedures

The Bank depends on a number of operations every day. The success of the Bank depends on its ability to handle and report these operations efficiently and accurately. The Bank is exposed to operational risks such as failure or inadequacies in internal processes and systems (including, but not limited to, financial reporting and risk monitoring processes), equipment, IT infrastructure, documentation of transactions or agreements with third parties, failure to protect material and immaterial assets and employee errors. Further, the Bank may fail to obtain or maintain proper authorizations, or comply with regulatory requirements (including, not limited to, data protection, anti-money laundering regulations and capital requirements).

The Bank is also exposed to operational risks due to customer complaints and failure in external systems. In addition, the Bank may be negatively impacted by fraudulent acts or violations of internal instructions committed by their own employees. The Bank cannot predict whether such instances of internal fraud will occur or, if they were to occur, the extent to which these acts would negatively impact it. There can be no assurance that the risk controls, loss mitigation and other internal controls or actions in place across the Bank will be effective in managing each of the operational risks faced by it. Should any of the operational risks mentioned above materialize, this could lead to both reputational and financial damage, and could have a material adverse effect on the Bank's business, financial situation, liquidity and/or results of operations.

If the risk management is insufficient or inadequate, this could have a material adverse effect on the Bank. Should any of the operational risks mentioned above materialize, this could lead to both reputational and financial damage, and could have a material adverse effect on the Bank's business, financial situation, liquidity and/or results of operations.

Important information

Risk factors (II)

The Bank is exposed to economic conditions

The global capital and credit market may be volatile. This volatility may cause a material adverse effect on the international banking sector's performance and lead to reduced liquidity and increased credit risk premiums for many market participants. The Bank has had good access to domestic capital markets funding, but any significant volatility, disruption or deterioration in the local/global macroeconomic environment may have a material adverse effect on the Bank's ability to access capital and/or its business, results of operations and/or financial condition.

As the Bank's revenue is derived almost entirely from customers based in Norway, deterioration of macroeconomic conditions in Norway, such as oil prices fall, unemployment, inflation increase or asset values decrease etc, may have a material adverse effect on the Bank's business, results of operations and financial condition.

The Bank is exposed to credit risk

The Bank is exposed to credit risk, which is the risk of losses due to the failure of a customer to meet his or hers obligations and the collateral not covering the obligations. In addition, concentration risk is the risk of negative development of an entire sector or correlated loans. Adverse changes in the credit quality or behaviour of the Bank's borrowers or other counterparties could reduce the value of the Bank's assets and increase the Bank's write-downs and allowances for impairment losses. The overall credit quality profile of the Bank's borrowers and other counterparties may be affected by a range of macroeconomic events and other factors, including increased unemployment, reduced asset values, lower consumer spending, increased customer indebtedness, increased interest rates and/or higher default rates.

The Bank is exposed to risk relating to the housing market

House prices in Norway have generally experienced an average year-on year growth. In recent years the debt levels have increased rapidly among Norwegian households supported by low mainland unemployment, low housing taxes, increasing wages and low interest rates. If Norwegian house prices were, in the future, to begin to follow a falling trend resulting in a decline in collateral values, this could lead to a reduction in loan recovery and value of the Group's assets, which could in turn result in a requirement to increase the Bank's level of impairment allowance and ultimately to losses. This would in particular apply if house prices started falling in those regions to which the Bank has significant exposure, mainly Hedmark, Oppland, Oslo and Akershus counties.

The Bank is exposed to risk related to interest rate changes

Interest rates, which are impacted by factors outside of the Bank's control, including the fiscal and monetary policies of governments and central banks, as well as Norwegian and international political and economic conditions, affect the Bank's results of operations, profitability and return on capital in different areas.

First, interest rates affect the cost and availability of the principal sources of the Bank's funding, including customer deposits, covered bonds and senior unsecured bonds. Second, interest rates, such as the Norwegian Interbank Offer Rate (NIBOR), affect the Bank's net interest margin and income. Third, interest rates impact the Bank's loan impairment levels and customers' affordability position.

Second, interest rates, such as the Norwegian Interbank Offer Rate (NIBOR), affect the Bank's net interest margin and income. Third, interest rates impact the Bank's loan impairment levels and customers' affordability position and fourth, Fourth, a high interest rate environment may reduce demand for lending products, as individuals are less likely or less able to borrow when interest rates are high, thereby reducing the Group's results of operations.

The Bank is exposed to risk related to variations in funding costs and availability of funding

The Bank is dependent on access to sufficient liquidity on acceptable terms in order to be able to meet its obligations as they fall due.

This liquidity risk is inherent in banking operations and can be heightened by a number of enterprise-specific factors, including over-reliance on a particular source of funding (including, for example, short-term and overnight funding), changes in credit ratings or market-wide phenomena such as market dislocation and major disasters. Furthermore, the Bank is dependent on sufficient funding in order to carry out its lending business.

The Bank's funding requirements are primarily covered through customer deposits. Deposits are subject to fluctuations due to certain factors beyond the control of the Bank, such as loss of customer confidence and competitive pressures, and as a result, the Bank could experience a significant outflow of deposits within a short period of time. In addition, any uncertainty regarding the Bank's financial position may lead to withdrawal of deposits, resulting in a funding deficit for the Bank. Moreover, there may be a reduction in the current Norwegian deposit guarantee scheme due to the EU Directive 2014/749/EC which imposes a harmonized level of deposit guarantees of EUR 100,000 per bank per customer in the event of a bank failure. The current Norwegian guarantee scheme provides for a deposit guarantee corresponding to about EUR 250 000 per customer, and such a decrease may also lead to withdrawal of deposits.

It is further expected that the implementation of the EU Banking Recovery and Resolutions Directive ("BRRD") will impact the senior debt funding for banks and lead to added regulatory requirements on a number of banks. If the Bank has difficulty in securing adequate sources of short- and long-term funding, this could have a material adverse effect on its business, financial condition and/or results of operations.

The Bank is exposed to foreign currency risk

The Bank has a number of loans and deposits in foreign currencies. Foreign currency rates in financial markets are volatile and fluctuate rapidly. Changes in currency rates could cause the Bank's assets to decrease or liabilities to increase in value. There is also the risk that liquidity in currency markets related to the NOK will dry up, making it difficult or impossible to hedge currency risk or settle existing hedges. In addition, currency rate movements will affect the size of the Bank's balance sheet and can therefore increase the Bank's capital requirements.

The Bank is exposed to credit- and interest spread risk

The Bank invests in fixed income securities. This exposes the Bank to changes in credit- and interest spread. The prices of fixed income securities is often related directly and inversely to its credit- and interest spread, and these credit- and interest spread may fluctuate in the market due to changes in general macroeconomic conditions, issuer-specific conditions, liquidity or market sentiment. Larger changes to credit- and interest spreads than anticipated may cause larger than expected losses on these investments.

The Bank is exposed to systemic risk

Given the high level of interdependence between financial enterprises, the Bank is and will continue to be subject to the risk of deterioration of the commercial and financial soundness, or perceived soundness, of other financial enterprises. Within the financial services industry, the default of any one enterprise could lead to defaults by other enterprises. Concerns about, or a default by, one enterprise could lead to significant liquidity problems, losses or defaults by other enterprises, because the commercial and financial soundness of many financial enterprises may be closely related as a result of their credit, trading, clearing or other relationships. Systemic risk may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom certain of the Bank's subsidiaries interact on a daily basis. Systemic risk could have a material adverse effect on the Bank's ability to raise new funding and on its business, financial condition, results of operations, liquidity and/or prospects.

The Bank could fail to attract or retain management or other key employees

The Bank depends on the leadership and experience of its executive management and key employees. The loss of the services of any of the Bank's executive management members could have a material adverse effect on its business and prospects, as it may not be able to find suitable individuals to replace such personnel on a timely basis or without incurring increased costs, or at all. Management believes that the Bank's future success will depend greatly on its continued ability to attract and retain highly skilled and qualified personnel. To the extent that the Bank is unable to meet or satisfy its staffing requirements, the Bank's growth and profitability may be impaired, which could have a material adverse effect on the Bank's business, financial condition, results of operations, cash flows and/or prospects.

The Bank is exposed to material risks as a result of its operation in competitive markets

The Bank operates in an increasingly competitive Norwegian financial services market. The Bank competes mainly with other providers of personal financial services and financial services focused towards small and medium sized businesses, including Norwegian and non-Norwegian banks and other financial institutions, some of which have greater scale and financial resources, broader product offerings and more extensive distribution networks than the Bank.

Important information

Risk factors (III)

Competition may intensify further as a result of competitor behavior, consumer demand, technological changes, market consolidation and new market entrants and regulatory actions, such as the implementation of PSD2. If increased competition occurs as a result of these or other factors, the Bank's business, financial condition, results of operations and/or prospects could be materially adversely affected.

The Bank relies heavily on IT systems and is exposed to the risk of failure or inadequacy in these systems

The Bank relies heavily on the interrupted operation of its IT systems for the efficient running of its business and operations, and, in particular in order to offer customers an online bank with 24 hours availability. Further, the Bank relies on certain financial infrastructure services that are widely used in the bank sector to process payments and transactions. Furthermore, the Bank depends on a few third party providers for the supply of important IT services to the Bank, such as Evry AS and SimCorp A/S. Changes in regulatory or operational requirements may imply material changes to the Bank's current IT systems and could further lead to a change in the systems and solutions provided to the Bank by its third party providers.

Despite the contingency plans and facilities that the Bank has in place, its ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports the business of the Bank, some of which are beyond the Bank's control. Any failure, inadequacy, interruption or security failure of those systems, or the failure to seamlessly maintain, upgrade or introduce new systems, could harm the Bank's ability to effectively operate its business and increase its expenses and harm its reputation. There is a risk that customers, as a result of interruptions in digital banking, terminate their relationship with the Bank. These risks may in turn have a material adverse effect on the Bank's financial condition, results of operations and/or prospects.

The Bank is exposed to risk of information and communication technology crime and such crime may have an adverse effect on the Bank's business, reputation and results of operations

Like other financial enterprises, the Bank's activities have been, and are expected to continue to be, subject to an increasing risk of information and communication technology crime in the form of Trojan attacks and denial of service attacks, the nature of which is continually evolving. Cyber security risks are foremost related to the Bank's internet bank users and include potential unauthorized access to privileged and sensitive customer information, including internet bank credentials as well as account and credit card information. The Bank may experience security breaches or unexpected disruptions to its systems and services in the future, which could in turn, result in liabilities or losses to the Bank, its customers and/or third parties and have an adverse effect on the Bank's business, reputation and results of operations.

The Bank may not be able to maintain sufficient insurance to cover all risks related to its operations

The Bank's business is subject to a number of risks, including, but not limited to fraud, disruption in the infrastructure, human errors, litigation and changes in the regulatory environment. Such occurrences could result in financial losses and possible legal liability. Although the Bank seeks to maintain insurance or contractual coverage to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with the Bank's operations, which could have a material and adverse effect on the Bank's business, financial condition, results of operations and/or prospects.

The Bank is exposed to potentially litigation, claims and compliance risks

The Group may be subject to legal proceedings in the future that may be significant and there can be no assurances that the outcome of pending or future proceedings and litigation will not have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

The Bank is exposed to risk related to money laundering activities and identity fraud

In general, the risk that banks will be subjected to or used for money laundering has increased worldwide. The turnover of employees can create challenges in consistently implementing related policies and technology systems. The risk of future incidents in relation to money laundering always exists for banks. Any violation of antimony laundering rules, or even the suggestion of violations, may have severe legal and reputational consequences for the Bank and may, as a result, adversely affect the Bank's business and/or prospects.

The Group may make acquisitions that prove unsuccessful or strain or divert the Group's resources

On 1 April 2017, the Bank completed a merger with B1OA. The Group may in the future make acquisitions that prove to be unsuccessful.

Successful growth through acquisitions is dependent upon the Group's ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favourable terms, obtain required licences and authorisations and ultimately complete such acquisitions and integrate acquired entities into the Group. If the Group makes acquisitions, it may be unable to generate expected margins or cash flows, or realise the anticipated benefits of such acquisitions, including growth or expected synergies. The Group's assessment of and assumptions regarding acquisition targets could prove to be incorrect, and actual developments may differ significantly from expectations. The Group may not be able to integrate acquisitions successfully and such integration may require greater investment than anticipated, and the Group could incur or assume unknown or unanticipated liabilities or contingencies with respect to customers, employees, government authorities or other parties. The process of integrating acquisitions may also be disruptive to the Group's operations, as a result of, among other things, unforeseen legal, regulatory, contractual and other issues and difficulties in realising operating synergies, which could cause the Group's results of operations to decline. Moreover, any acquisition may divert Management's attention from day to day business and may result in the incurrence of additional debt. Should any of the above occur in connection with an acquisition, there could be a material adverse effect on the Group.

Risk related to strategic agreements

The Bank is a member the SpareBank 1 Alliance which is a cooperation between the 14 SpareBank 1 banks. The SpareBank 1 Alliance has been key in the development and offering of relevant products to the customers of the Bank and collaboration on IT-services and infrastructure, enabling the combination of efficient operations and economies of scale with independent local banking operations. Furthermore, the Bank's name is directly linked to the SpareBank 1 Alliance. A termination of the Bank's participation in the SpareBank 1 Alliance could have a material adverse effect on the Group.

Pursuant to an agreement between the Bank and the Norwegian Confederation of Trade Unions ("LO") dated 10 June 2016, LO will have a right to terminate the cooperation agreement if LO, provided that LO owns 10% of the ECCs, is not represented on the Bank's board of directors with at least one board member and one deputy board member (with the right to attend all board meetings). The members of the Bank's board of directors are elected by the Bank's Supervisory Board and not the Bank or the ECC-holders (directly). If the Bank's Supervisory Board decides not to elect the abovementioned representatives from LO, and LO decides to exercise its termination right, this may have an adverse effect on the Group's financial position and results of operations.

Risk related to credit ratings

The Bank is dependent on credit ratings for its funding activities outside of Norway. Furthermore, the Bank's credit rating may affect the Bank's funding abilities and the market's perception of the Bank. The Bank is currently rated with a long-term deposit and issuer rating of A1 and a baseline credit assessment of baa1 by Moody's Investor Service Ltd ("Moody's"). There can be no assurance that Moody's or other rating agencies will not downgrade the ratings of the Bank or the ratings of the Bank's debt instruments as a result of a number of factors, including the Bank's financial position or changes to applicable rating methodologies used by Moody's or any other relevant credit rating agency.

The Bank is exposed to changes in banking and financial services regulations and changes in the interpretation and operation of such regulations

The Bank is subject to financial services laws, regulations, administrative actions and policies in Norway. Changes in supervision and regulation in Norway and in the European Union ("EU")/the European Economic Area ("EEA"), could materially affect the Bank's business, the products and services offered or the value of its assets. Future changes in regulation, fiscal or other policies can be unpredictable and are beyond the control of the Bank.

Areas where changes or developments in regulation and/or oversight could have a material adverse impact include, but are not limited to (i) changes in monetary, interest rate and other policies, (ii) general changes in government and regulatory policies or regimes which may significantly influence investor decisions or increase the costs of doing business in Norway, (iii) changes in competition and pricing environments, (iv) differentiation among financial enterprises with respect to the extension of guarantees to bank deposits and borrowings from customers and the terms attaching to such guarantees, (v) increased financial reporting requirements and (vi) changes in regulations affecting the Bank's current structure of operations. Financial regulators responding to future crisis or other concerns may adopt new or additional regulations, imposing restrictions or limitations on banks' operations, including, but not limited to, increased capital requirements, disclosure and/or reporting standards or restrictions on certain types of transaction structures. The Bank may also be affected by implementation of measures that are part of the EU Capital Markets Union.

Important information

Risk factors (IV)

Although the Bank works closely with its regulators and continues to monitor the legal framework, future changes in the Norwegian FSA's or other government agencies' interpretation or operation of existing legislation or regulation can be unpredictable and are beyond the control of the Bank.

The Bank may be affected by the EU proposal concerning decreased level of deposit guarantees as well as increased contributions to the Norwegian Bank's Guarantee Fund and to a national resolutions fund, which shall constitute a financing arrangement for crises resolutions. In addition, the proposed new directive 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, may lead to increased competition between banks and other payment services providers as the directive requires banks to reformulate their approach to providing secure data access to third parties, and thus it increases the competition between payment service providers because more payment service providers are given access to customers' account information, including funds available.

The Bank is subject to regulatory capital adequacy requirements and an increased level of risk could lead to an increase in its capital adequacy requirements

The global financial market turbulence in 2008-2009 gave rise to international focus on certain issues identified as contributors to the crisis. This resulted in the Basel III accord and subsequent changes in the European regulatory framework including the new capital adequacy rules known as CRD IV/CRR, that are also implemented in Norway and which the Bank is subject to. These rules entail a step-up in the Tier 1/Tier 2 risk-weighted capital requirement, most of which are in force. The counter-cyclical buffer (maximum 2.5%) is to be re-assessed each quarter; an increase will normally be with 12 months' notice. The new rules also include capital requirement on a non-risk weighted basis which came into effect on 30 June 2017. The level of capital leverage ratio is 3% for savings banks, and in addition, banks shall have a capital leverage ratio buffer of minimum 2%.The CRD IV/CRR framework also includes liquidity requirements.

Liquidity Coverage Ratio ("LCR") was introduced in 2016 onwards, with gradual implementation and an additional Net Stable Funding Ratio ("NSFR") was implemented in 2018. In addition to these general "Pillar 1" requirements referred to above, CRD IV permits regulators to require additional capital calibrated individually to address the specific risk profile of each bank at any time.

The Bank may in the future be subject to further increases in capital and liquidity requirement as well as other regulatory requirements and constraints concerning increased capital requirements pursuant to Pillar 1. Moreover, the Norwegian FSA may impose stricter capital requirements for the Bank pursuant to the specific risks relating to the Bank's operations under the Pillar 2 assessment. Moreover, the Bank is not regarded as a systemic important bank in Norway; however, there can be no assurance that the regulator will change its view on the classification. Should the Bank be classified a systemic important bank it will subject to stricter capital requirements. Any such requirements as mentioned above could have material adverse effect on the Bank's financial position and profitability.

The Bank is subject to the Norwegian provisions on ownership control

Pursuant to the Norwegian Financial Institution Act, acquisition of qualifying holdings in a financial enterprise is subject to prior approval by the Norwegian Ministry of Finance or the Norwegian FSA. A qualifying holding is a holding that represents 10% or more of the capital or voting rights in a financial enterprise or allows for the exercise of significant influence on the management of the enterprise and its business. When the financial enterprise has issued equity capital certificates, such holding is calculated as a proportion of the sum of ownerless capital and equity share capital or of the voting rights at the general meeting. Approval may only be granted if the acquirer is considered appropriate according to specific non-discriminatory tests described in the Norwegian Financial Institution Act (the so-called "fit and proper" test). Any person intending to acquire a qualifying holding of the Bank, must be explicitly approved by the Norwegian FSA and/or the Norwegian Ministry of Finance, as applicable before the transaction can be carried through. Such persons run a risk that their application for approval is denied or that Norwegian authorities impose unfavourable conditions related to an approval.

The implementation of the EU Market Abuse Regulations may lead to withholding of information to the public in certain distress scenarios

The EU Regulation No. 596/2014 of European Parliament and of the Council of 16 April 2014 on market abuse ("MAR"), which is expected to be implemented in Norway in 2018, increases the risk for holders of listed equity capital certificates and bonds issued by banks, providing for an exemption from ordinary disclosure requirements for listed banks.

The new rules allow banks to withhold information on a distress scenario, even where this delay of disclosure is likely to mislead the public. The relevant MAR rule provides that, in order to preserve the stability of the financial system, an issuer that is a bank, may, on its own responsibility, delay public disclosure of inside information, including information which is related to a temporary liquidity problem and, in particular, the need to receive temporary liquidity assistance from a central bank or lender of last resort, provided certain conditions are met, including that disclosure entails a risk of undermining the financial stability of the issuer and of the financial system. In addition to the new rule on delayed disclosure specific to banks, the general rule for delayed disclosure of inside information, on certain terms and as available to all issuers subject to the Norwegian Securities Trading Act, is expected maintained through the implementation of MAR.

The Bank is exposed to changes in tax or VAT laws and regulations and changes in the interpretation and operation of such regulations

The Bank is subject to Norwegian laws and regulations regarding tax and VAT. Future actions by the Norwegian government to change the tax or VAT laws or regulations, to increase tax or VAT rates or to impose additional taxes or duties, might reduce the Bank's profitability. Further, changes in the interpretation of tax or VAT legislation as well as differences in opinion between the Bank and Norwegian tax authorities with respect to the interpretation of relevant legislation or regulations might also adversely affect the Bank's business. There can be no assurance that any change in tax or VAT legislation or the interpretation of tax and VAT legislation will not have a retroactive effect. Any such event might have a material adverse effect on the Bank's business, financial situation, results of operations, liquidity and/or prospects.

Risks related to the new IFRS 9 Financial Instruments

IFRS 9 Financial Instruments was endorsed by the EU in November 2016 and has replaced IAS 39 Financial Instruments: Recognition and Measurement with effectiveness for periods beginning on or after 1 January 2018. IFRS 9, in particular the impairment requirements, has led to significant changes in the accounting for financial instruments which may have a negative effect on the Bank's financial reports compared to reporting IAS 39.

01 Transaction overview

02 3Q 2018 update

2.1 Summary

2.2 The bank and the market area

2.3 Financial accounts 3Q 2018

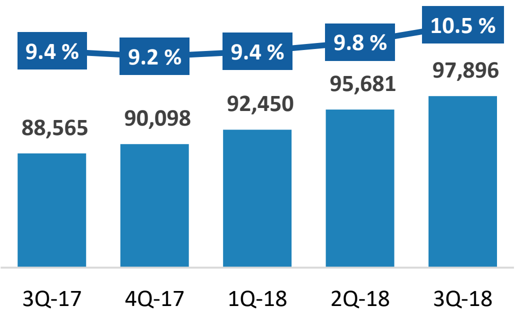
Business overview

SpareBank 1 Østlandet at a glance

Highlights

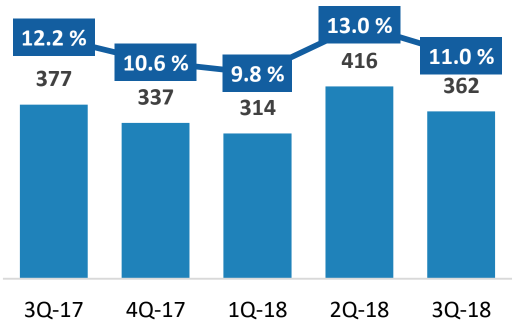
- Established in 1845 – known as Sparebanken Hedmark ("SBHE") until 1 April 2017.
- Norway's fourth largest savings bank – total adjusted assets (incl. cov. bonds) of approx. NOK 161bn as of 3Q-18.
- Operations in Hedmark, Oppland, Oslo and Akershus – a market with more than 1.7 million inhabitants.
- Head office in Hamar (90 minute drive north of Oslo) – 38 bank branches and approx. 1,146 FTEs.
- Approx. 332,000 customers – retail share of total lending of approx. 74%.
- Diversified product offering – provides banking, leasing, accounting and real estate brokerage 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.

Net loans* (NOKm) & Growth (YoY, %)



*excl. loans transferred to covered bond companies

Profit after tax (NOKm) & ROE (%)



Investment highlights

Key value propositions

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

02 The most solid regional savings bank in Norway ✔

03 Low credit risk in loan portfolio – limited loan losses and no direct oil exposure ✔

04 Profitable operations with good dividend capacity ✔

05 Strong home market position and attractive growth opportunities ✔

06 Innovative customer dividend ✔

07 Long-term targets: ROE of at least 10%, 16% CET 1 ratio and 50% dividend ratio ✔

*By total assets on own balance sheet, plus mortgages transferred to SB1 Boligkreditt and SB1 Næringskreditt

Transaction rationale

Continued profitable growth

1 Profitable growth

- Attractive home market with high economic activity
- Strong loan growth in the Oslo and Akershus region
- Capturing profitable growth

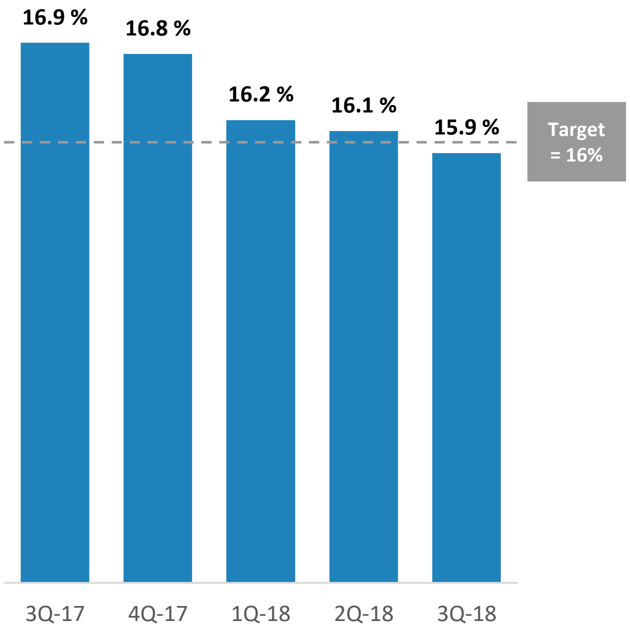
2 Solid capitalization

- Long and profitable history for SpareBank 1 Østlandet
- Positioned as the most solid regional savings bank by CET1
- Maintain profitability, growth and attractive dividend policy

3 Positioned for structural changes

- Preferred financial partner in the region
- Positioned for structural opportunities
- High financial flexibility

Regulatory CET1 (%)



Transaction description

Selected key terms and timeline

Selected transaction terms *

Issuer	SpareBank 1 Østlandet.
Listing	Oslo Stock Exchange under the ticker "SPOL".
Pre-money ECCs outstanding	107,179,987 ECCs (each with a par value of NOK 50.00).
Pre-money market capitalization	Approximately NOK 9.6 billion.
Transaction structure	Private Placement of new ECCs.
Transaction size	Target gross proceeds of up to NOK 700 million.
Subscription price	Will be set through an accelerated book building process with a target price close to trading price (denominated in NOK).
Use of proceeds	Net proceeds will be used to strengthen the Company's Common Equity Tier 1 (CET1) capital, which will enable the Company to pursue continued profitable growth.
Pre-subscriptions	Sparebankstiftelsen Hedmark (the "Foundation") has committed to subscribe for 60 % of the Private Placement, which is equivalent to up to NOK 420 million. The Norwegian Confederation of Trade Unions ("LO") has committed to subscribe for its, and its related associations, pro rata share of the Private Placement, approximately 14.82%, which is equivalent to up to NOK 104 million. LO has signaled an intention to redistribute the ECCs allocated to it amongst itself and its related associations after the Private Placement. Richard Heiberg (CEO in the Company) and Geir-Egil Bolstad (CFO in the Company) have in aggregate committed to subscribe for NOK 2.75 million in the Private Placement.
Minimum order and allocation	NOK equivalent of EUR 100,000.
Transaction conditions	**Completion of the Private Placement is conditional upon:** (i) the Company's board of directors resolving to conduct the Private Placement and allocate the New ECCs pursuant to an authorization given by the Company's supervisory board on 22 March 2018; (ii) the Company obtaining the necessary approvals from the Financial Supervisory Authority of Norway; and (iii) registration of the increased equity certificate capital of the Company pertaining to the Private Placement with the Norwegian Register of Business Enterprises and the Norwegian Central Securities Depositary ("VPS").
Allocation criteria	The allocation will be made at the sole discretion of the Company's board of directors in consultation with the Managers. The Company's board of directors will focus on criteria such as (but not limited to) existing ownership in the Company, timeliness of the application, price leadership, relative order size, sector knowledge, perceived investor quality, investment horizon and the Company's ownership structure. The Foundation has accepted, on certain conditions, to receive an allocation in the Private Placement which will imply that the Foundation's share of ownership in the Company is reduced from 54.73% to no less than 51.00%, after the completion of the Private Placement, the Subsequent Offering, the LO Repair Offering and the Employee Offering. LO will be allocated their pro-rata share, approximately 14.82%, of the: (i) Private Placement; and (ii) the sum of the LO Repair Offering and the Subsequent Offering.
Offerings post Private Placement	(i) Subsequent Offering, (ii) LO Repair Offering, and (iii) Employee Offering - collectively not exceeding NOK 200 million.
Managers	Pareto Securities and SpareBank 1 Markets.
Investor Documentation	Investor Presentation, Term Sheet and Application Agreement dated 8 November 2018.

Transaction timeline *

7-8 Nov.	Pre-sounding of key shareholders and selected external investors
8 Nov.	Announcement of a potential Private Placement
8 Nov.	Overnight accelerated bookbuilding process after the close of the Oslo Stock Exchange
~9 Nov.	Notification of conditional allocation before the opening of the Oslo Stock Exchange
~19 Nov.	Approval from the Financial Authority of Norway
~21 Nov.	Payment date
~28 Nov.	Delivery date
~28 Nov.	First day of trading of New ECCs

Note(*) please consult the Term Sheet and Application Agreement for the full set of transaction details.

Good profitability and continued strong lending growth

Summary third quarter 2018

- High activity levels in all business areas
- Strong income and lending growth
- Increased focus in real estate brokerage and accounting services
- Good growth in numbers of retail and corporate customers
- Good cost control and operating cost development in line with ambitions
- Still low loan losses
- Marginally lower solidity due to strong lending growth
- Agreed merger between SpareBank 1 Skadeforsikring and DNB Forsikring – awaiting MoF approval

SpareBank 1 ØSTLANDET

The performance in third quarter is in line with ambitions

Financial targets 2018 and performance as of 3Q-2018

Profitability	Return on equity at least 10 %	11.1 %
Dividends	50 % pay-out ratio after tax*	50 %
Solidity	CET 1 at 16 %	15.9 %
Costs	5 % cost reduction**	-1.3 %

* Profit after tax before minority interests
** Nominal costs pro-forma parent bank compared with 2017 (accumulated)


SpareBank 1 Østlandet

SpareBank 1 Østlandet at a glance

Norway's fourth largest savings bank with a broad and diversified customer base

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

Norway's fourth largest savings bank * with total adjusted assets (incl. covered bonds) of NOK 161 billion.

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

Head office in Hamar, 38 branches and 1,146 FTEs.

Approximately 332,000 customers with a retail lending share of 74 %.

Diversified product offerings – traditional banking, leasing, accounting and real estate brokerage services.

Part of the SpareBank 1 Alliance and owns 12.4 % of SpareBank 1 Gruppen AS.

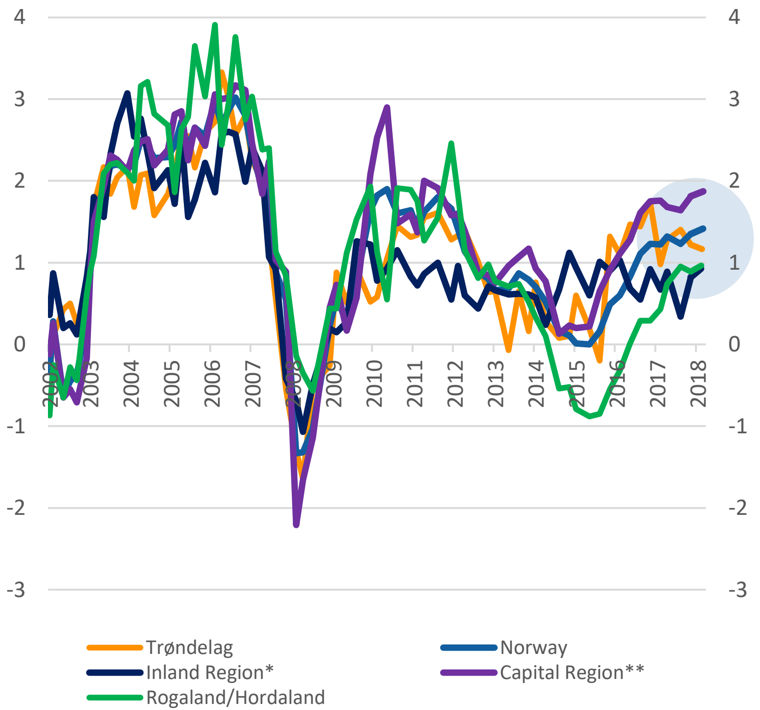
Sources: Annual/interim reports, SpareBank 1 Gruppen || Comments (*): Total assets on own balance sheet, plus mortgages transferred to SB1 Boligkreditt and SB1 Næringskreditt

SpareBank 1 ØSTLANDET

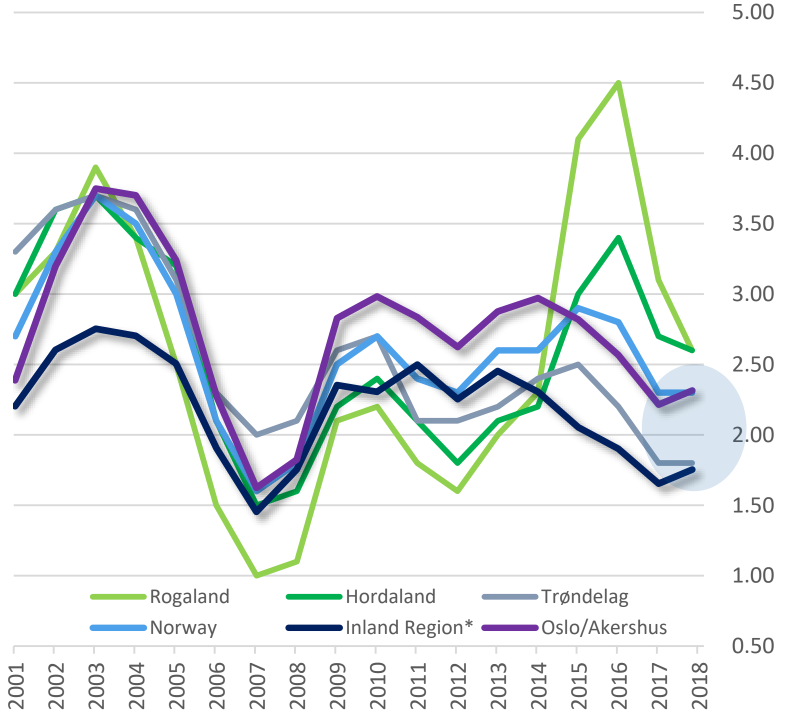
High economic activity in our market area (1)

Increasing productivity and low unemployment

Growth in production, q/q and forecast for 6 months (per cent)



Registered unemployment rate, NAV (per cent)



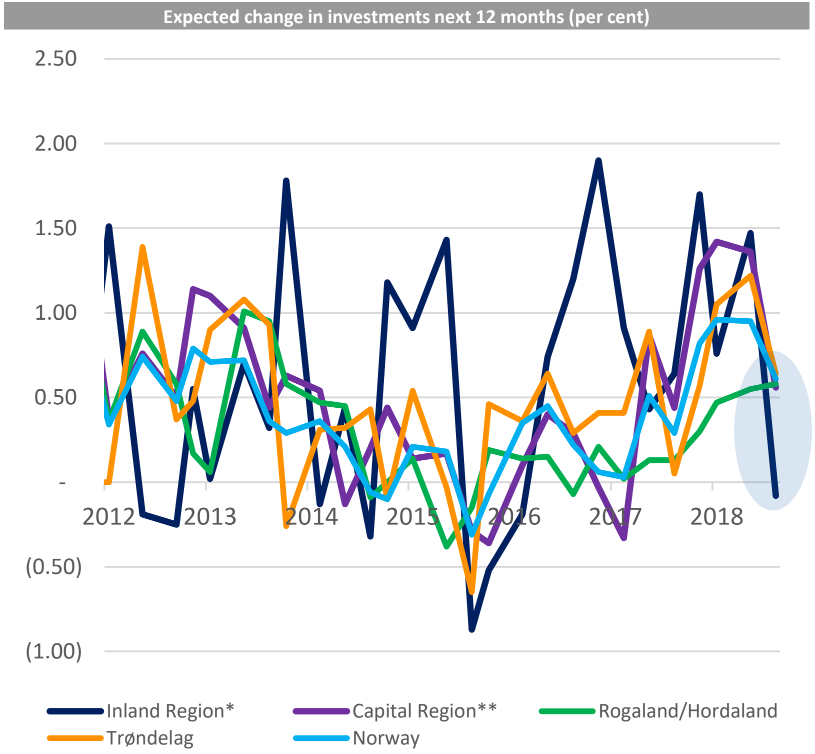
Source 1: Norges Bank Regional Network 03/18 | (*) Includes Hedmark and Oppland | (* *) Includes Oslo, Akershus, Østfold and Buskerud

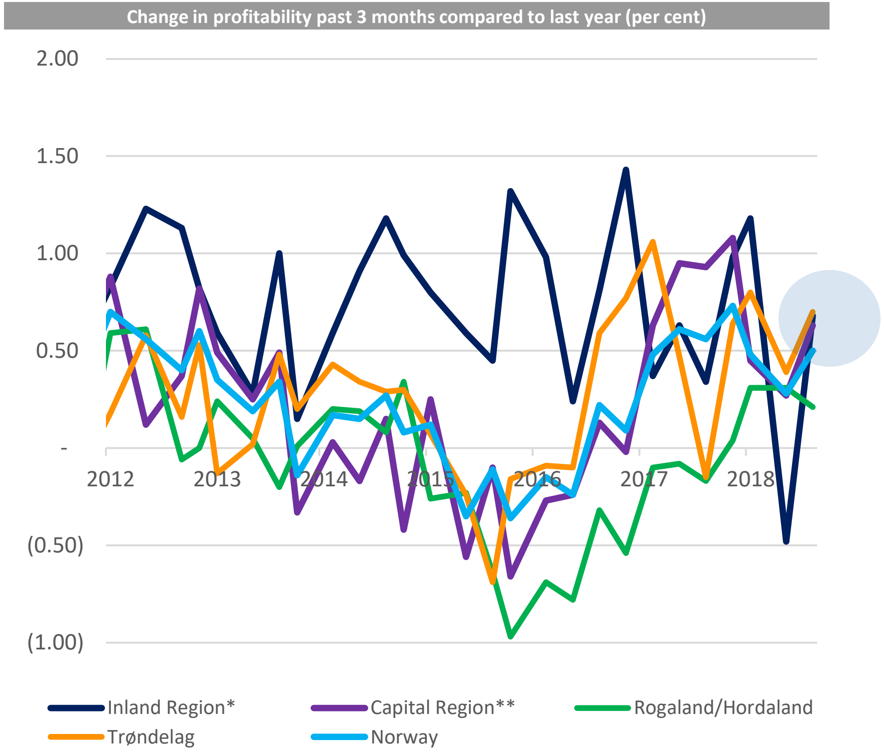
Source 2: Statistics Norway, NAV, Thompson Reuters Datastream

SpareBank 1 ØSTLANDET

High economic activity in our market area (2)

Investment leveling out on higher profitability



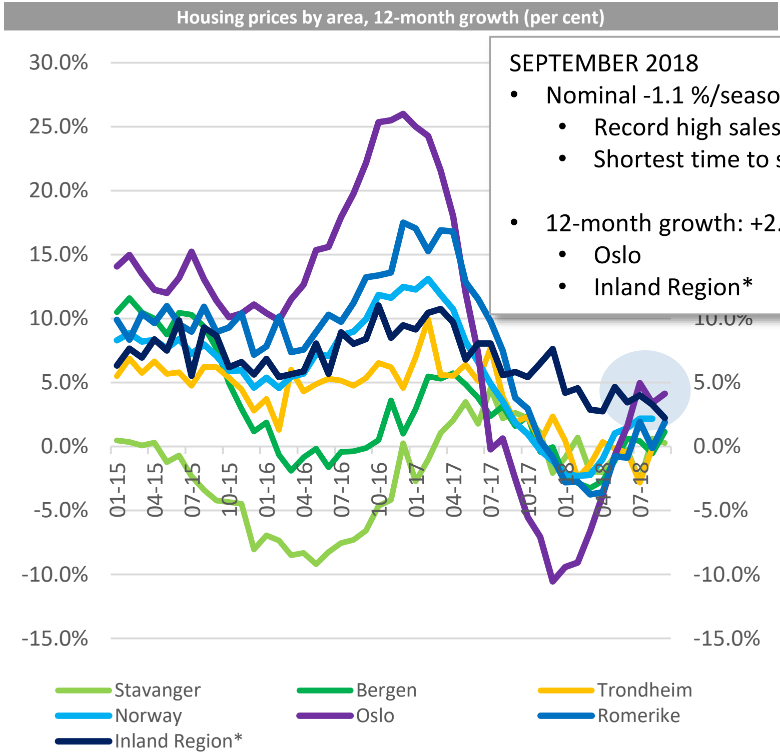


Source 1: Norges Bank Regional Network 03/18 | (*) Includes Hedmark and Oppland | (* *) Includes Oslo, Akershus, Østfold and Buskerud
Source 2: Statistics Norway, NAV, Thompson Reuters Datastream

SpareBank 1 ØSTLANDET

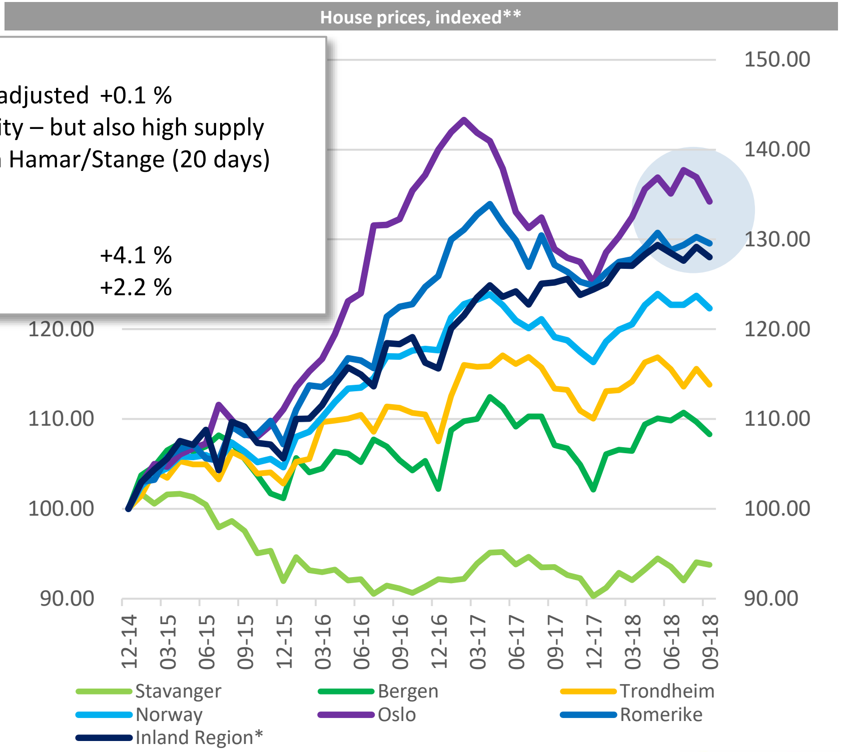
Housing prices leveling out with high construction activity

House price developments for relevant areas compared with Norway



SEPTEMBER 2018

- Nominal -1.1 %/seasonally adjusted +0.1 %
  - Record high sales activity – but also high supply
  - Shortest time to sale in Hamar/Stange (20 days)
- 12-month growth: +2.7 %
  - Oslo +4.1 %
  - Inland Region* +2.2 %

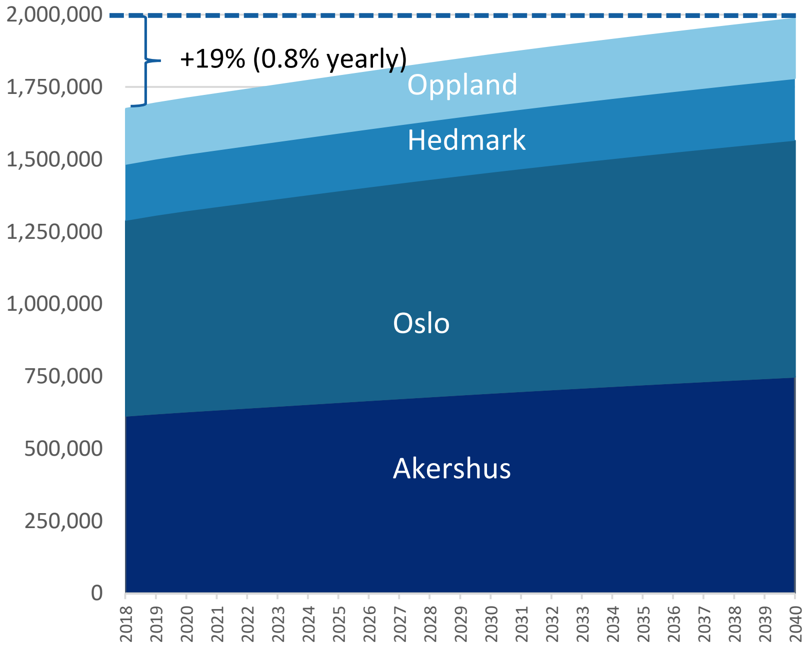


Source: Eiendom Norge Housing Prices September 2018 | (*) Includes: Oppland and Hedmark | (**)Index 31 December 2014 = 100

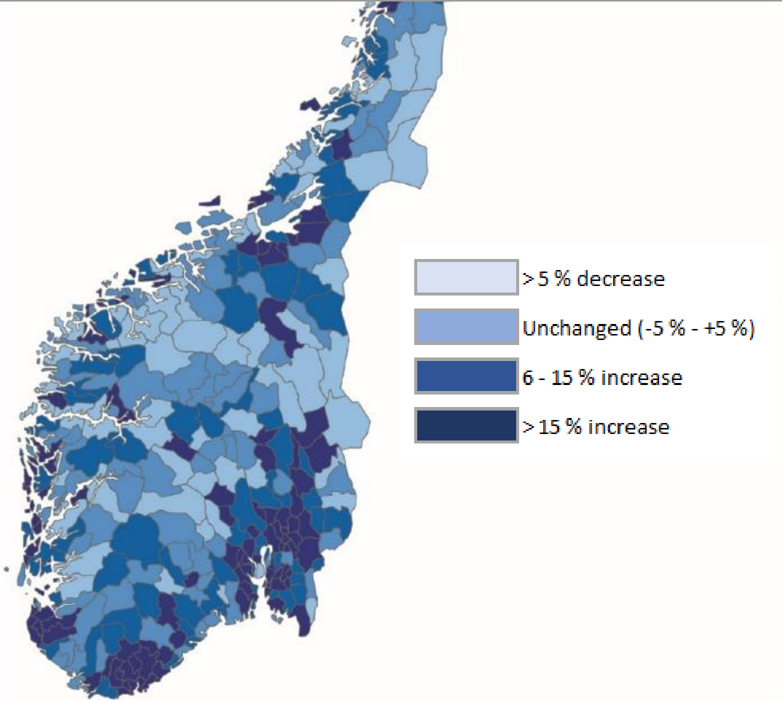
A market area with long term growth potential

Considerable population growth in the Greater Capital Area

Population projection 2018-2040



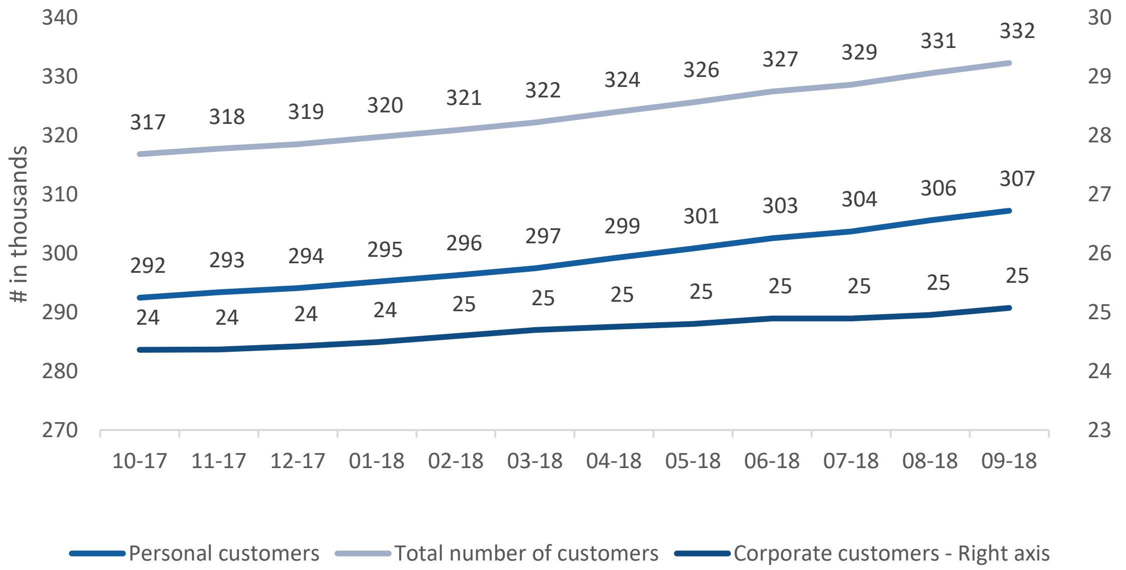
Population projection, municipalities 2018-2040



Source: Statistics Norway: Population Forecast, Base scenario 2018-2040

Steady customer growth after the merger

Numbers of customers in parent bank



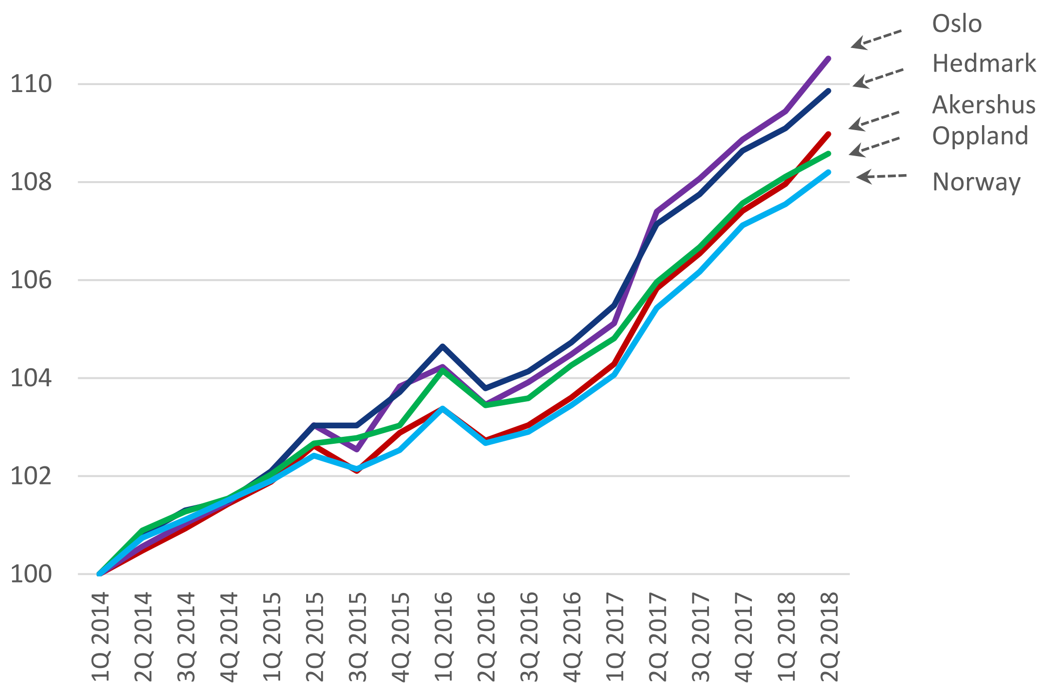
- In connection with the merger, a standardization of the product and customer definitions were implemented.
- After the merger, the customer growth has been solid
    - A total of 16,400 customers, equivalent to 5.2 %
    - 800 corporate customers, equivalent to 3.3 %
    - 15,600 retail customers, equivalent to 5.3 %
- After the Bank 1 OA acquisition in June 2016, the numbers of customers has increased from (estimated) 290,000 to 332,000, equivalent to 14.5 %

Source: SpareBank 1 Østlandet | «Customers» is defined as customers with account activity

SpareBank 1 ØSTLANDET

Value creation above national average

Industry index (quarterly) based on gross product per county



- 40 % of the Norway's mainland GDP is created in our market area
- Growth in value creation per county:
  - **Norway** **+8.2 %**
  - Oslo: +10.5 %
  - Hedmark: +9.9 %
  - Akershus: +9.0 %
  - Oppland: +8.6 %

Source: Statistics Norway. National accounts – based on gross product in 2016 prices. Quarterly numbers estimated. || 1Q 2014 = 100

SpareBank 1 ØSTLANDET

Financial results for the third quarter of 2018

(Last year's figures in brackets)

Increased profitability	Profit after tax in 3Q 18 isolated at NOK 362 million (NOK 377 million). Profit after tax as of 3Q 18 accumulated NOK 1,092 million (NOK 926 million).
Higher return on equity	ROE in 3Q 18 at 10.8 % (12.0 %). ROE as of 3Q 18 accumulated 11.1 % (10.1 %)
Solid capitalization	CET 1 ratio 15.9 % (16.9 %). Leverage ratio at 7.2 % (7.3 %).
High lending growth	Lending growth of 8.9 % (incl. the covered bond companies) last 12 months (7.9 %). Lending growth of 2.0 % from 2Q 18
Strengthened deposit growth	Deposit growth of 7.6 % in the last 12 months (5.1 %).
Low impairments	Impairments on loans and guarantees of NOK 12 million in 3Q 18 isolated Impairments on loans and guarantees of NOK 24 million as of 3Q 18 accumulated

SpareBank 1 ØSTLANDET

Income statement 3Q 2018

Group

	01.01.2018-30.09.2018	01.01.2017-30.09.2017	2017
Net interest income	1,530	1,454	1,956
Net commission income	841	810	1,095
Other income	132	140	168
Total operating expenses	1,375	1,348	1,898
Result bank operation before losses	**1,128**	**1,056**	**1,321**
Impairment losses on loans and guarantees	24	-7	-20
Result bank operation after losses	**1,104**	**1,063**	**1,341**
Dividends	13	11	11
Net profit from ownership interest	141	118	194
Net income from financial assets/liabilities	131	6	72
Profit/loss before tax	**1,388**	**1,197**	**1,618**
Tax charge	297	270	356
Profit/loss after tax	**1,092**	**926**	**1,263**
Return on equity capital after tax	11.1 %	10.1 %	10.2 %
Total operating costs in relation to total income	49.3 %	53.1 %	54.3 %
Losses on loans as a percentage of gross loans	0.03 %	-0.01 %	-0.02 %

Special items 3Q 2018 – The insurance merger

Description and effects

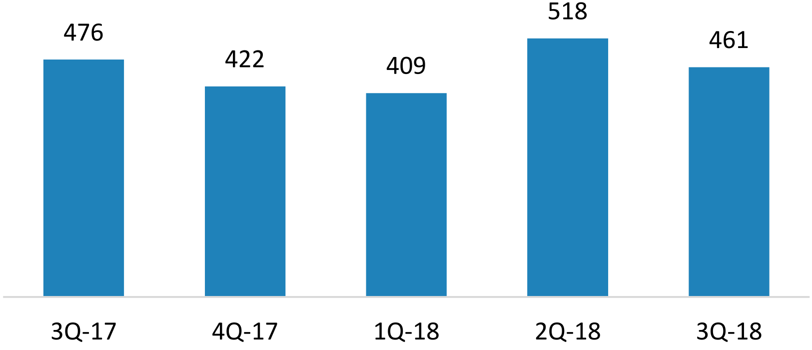
Merger SpareBank 1 Forsikring and DNB Forsikring*

- The SpareBank 1 Group (SB1G) and DNB agreed 24 September 2018 on the merger of SpareBank 1 Forsikring and DNB Forsikring
- Ownership ratio will be 65/35 between SB1G and DNB
  - DNB with call option to increase ownership to 40 %
- The merged business is valued at NOK 19.75 billion. The increased ownership of 15 % for DNB equals NOK 2.96 billion.
- The merger increases SB1G's equity on group level with NOK 6.9 billion
  - SpareBank 1 Østlandet's (SB1Ø) share is approximately NOK 528 million
  - The CET 1 is more or less unchanged
- The transaction gives SB1G a tax-free gain of approx. NOK 2.65 billion
  - SB1Ø's share of a possible dividend is NOK 329 million
  - The estimated effect on SB1Ø's CET 1 is 0.4 percentage points
- The dividend is conditioned by
  - The capital situation and decisions from SB1G take place in 2Q 2019 at the earliest
  - Proposed changed dividend regulation from the NFSA, to prevent dividend based on interim reports. If concluded – dividend from SB1G will take place in 2020 at the earliest and from the owner banks in 2021.

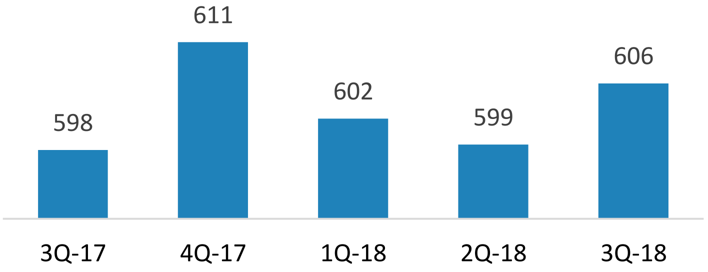
*Complete stock exchange announcement -> https://newsweb.oslobors.no/message/459991

Key financials – quarterly
(1)

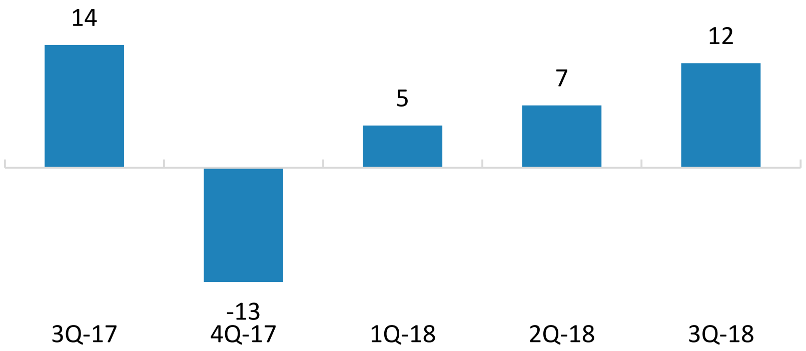
Pre-tax profit (NOK million)



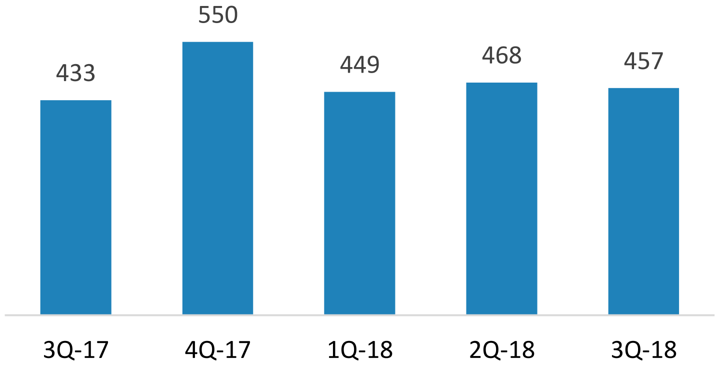
Net interes income and and commision fees from covered bond companies (NOK million)



Impairments on loans and guarantees (NOK million)

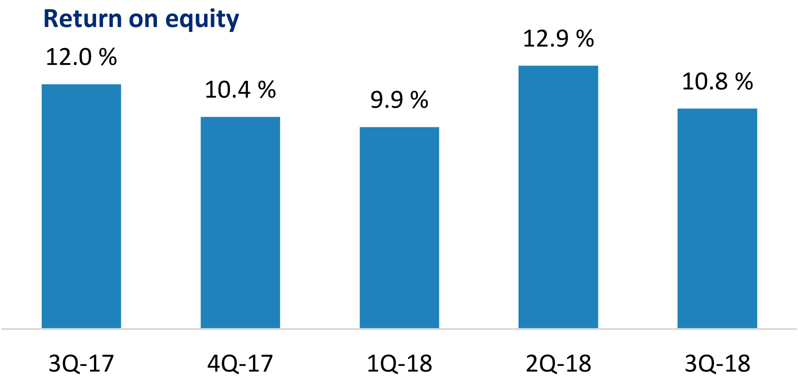


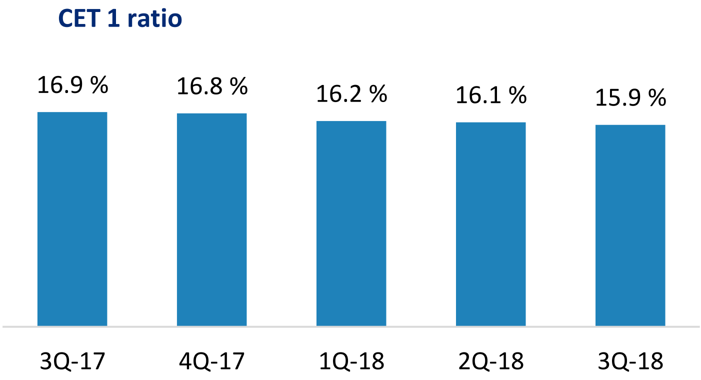
Total operating costs (NOK million)

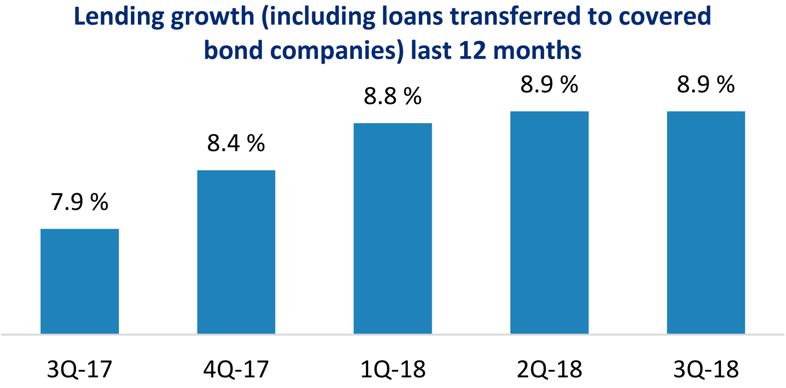


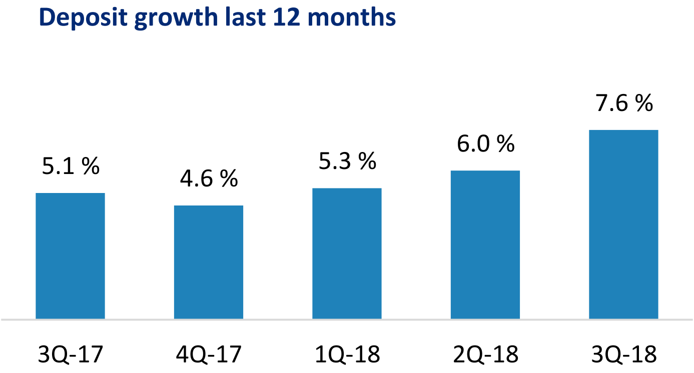
SpareBank 1 ØSTLANDET

Key financials – quarterly
(2)









Profit contributions from subsidiaries

3Q 2018 (3Q 2017)

SpareBank 1 Finans Østlandet
- Profit before tax NOK 142.1 million (NOK 121.2 million).
- Strong growth, cost control and increasing profitability.
- Increased focus on innovation and business development.

EiendomsMegler 1 Hedmark
- Profit before tax NOK 16.6 million (NOK 20.1 million).
- Solid market position, expanded project and CRE brokerage increase market share.
- High activity level, but increased cost from termination of IT contract and new recruitment.

EiendomsMegler 1 Oslo Akershus
- Profit before tax NOK 5.3 million (NOK -1.0 million).
- Restructuring completed, higher activity and cross-selling.
- Accounting effects from termination of an IT contract and new recruitment.

SpareBank 1 Østlandet VIT AS (SpareBank 1 Regnskapshuset AS og TheVIT AS)
- Profit before tax NOK -3.7 million (NOK 1.2 million*).
- The merged company is well positioned with value adding offerings.
- Strengthened presence in Greater Oslo and continued digitalisation of key processes.

* Last year's figures is SpareBank 1 Regnskapshuset Østlandet AS

Contribution from joint ventures

3Q 2018 (3Q 2017)

SpareBank 1 Gruppen
- Profit before tax NOK 1,244 million (NOK 1,437 million)
- Ownership 12.4 %

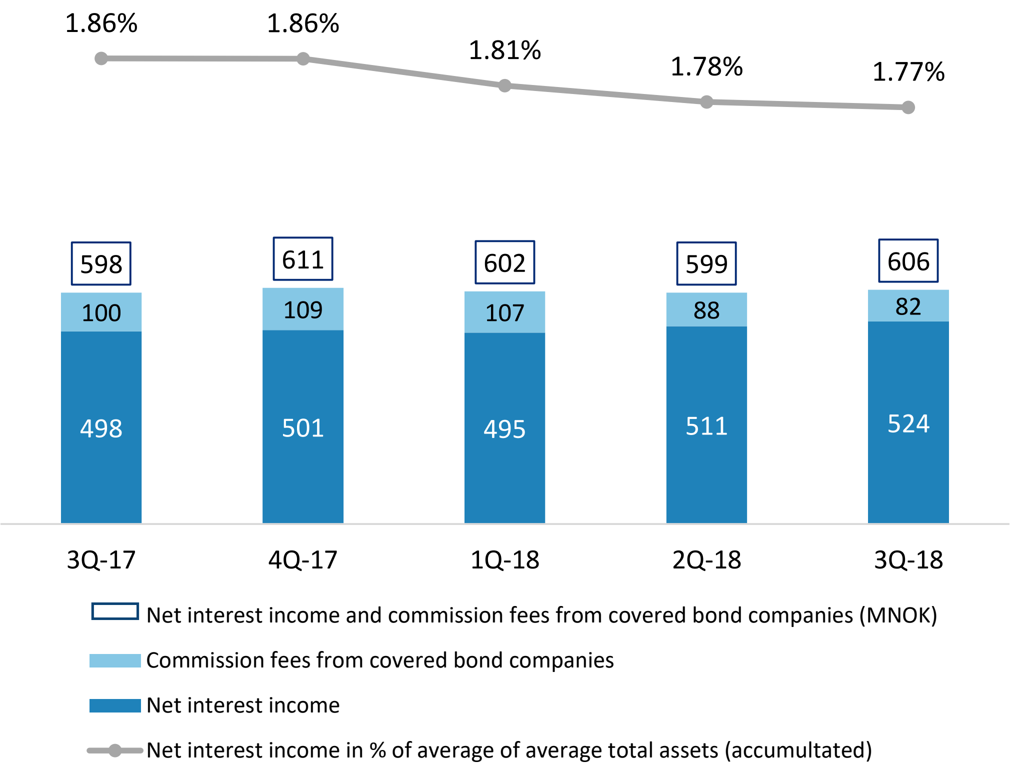
SpareBank 1 Boligkreditt AS
- Profit before tax NOK 52.3 million (NOK -183.9 million)
- Ownership 21.1 %

SpareBank 1 Næringskreditt
- Profit before tax NOK 46.7 million (NOK 66.7 million)
- Ownership 12.4 %

SpareBank 1 Kredittkort
- Profit before tax NOK 128.3 million (NOK 77.7 million)
- Ownership 20.5 %

Net interest income

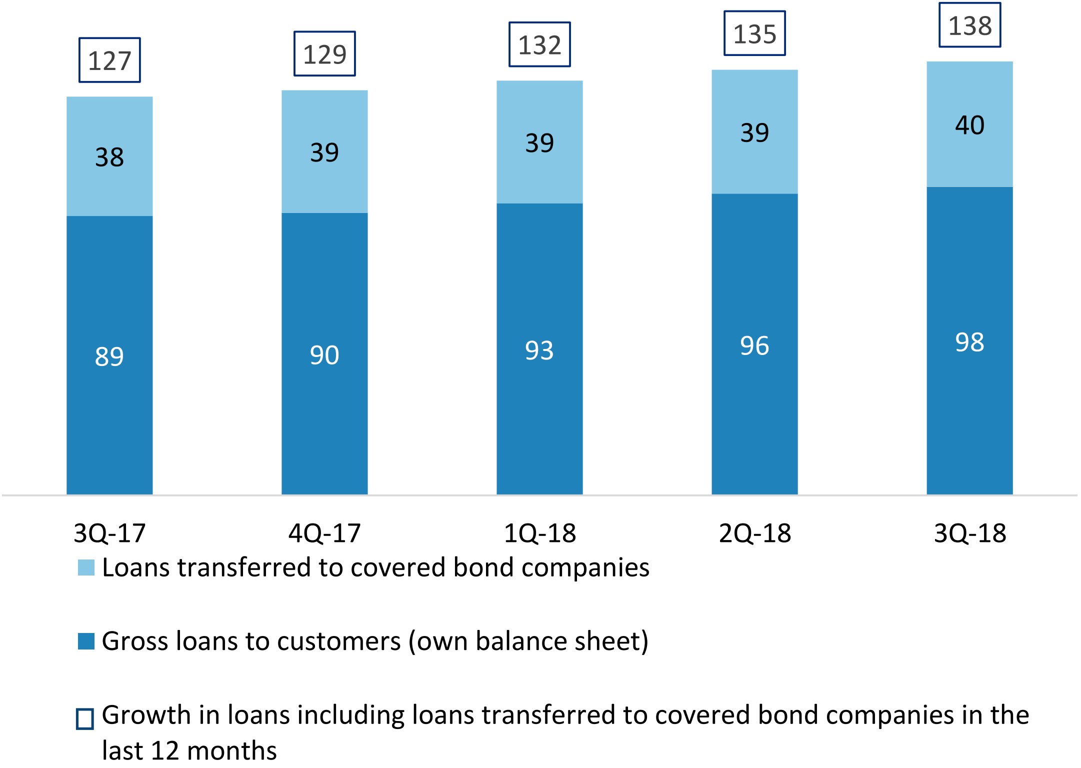
Net interest income incl. commissions from covered bond companies



- Higher NII last quarter due to strong lending growth
- Flat NII in per cent of average assets
- Commission fees from covered bond companies reduced on increased funding costs
- Announced interest rate increase with “up to 0.25 % on lending and deposits” 21 September. The increase is effective from 11 October for CM and 8 November for RM.

Continued strong lending growth

Lending volume (Group, NOK billion)



- Total lending in the Group, including loans transferred to covered bond companies, increased last quarter with NOK 2.2 bn
- This is equivalent to a 2.0 % growth last quarter
- Group lending growth in the last 12 months was 8.9 % (7.9 %)
  - Lending growth retail 8.7 %
  - Lending growth corporates 9.3 %

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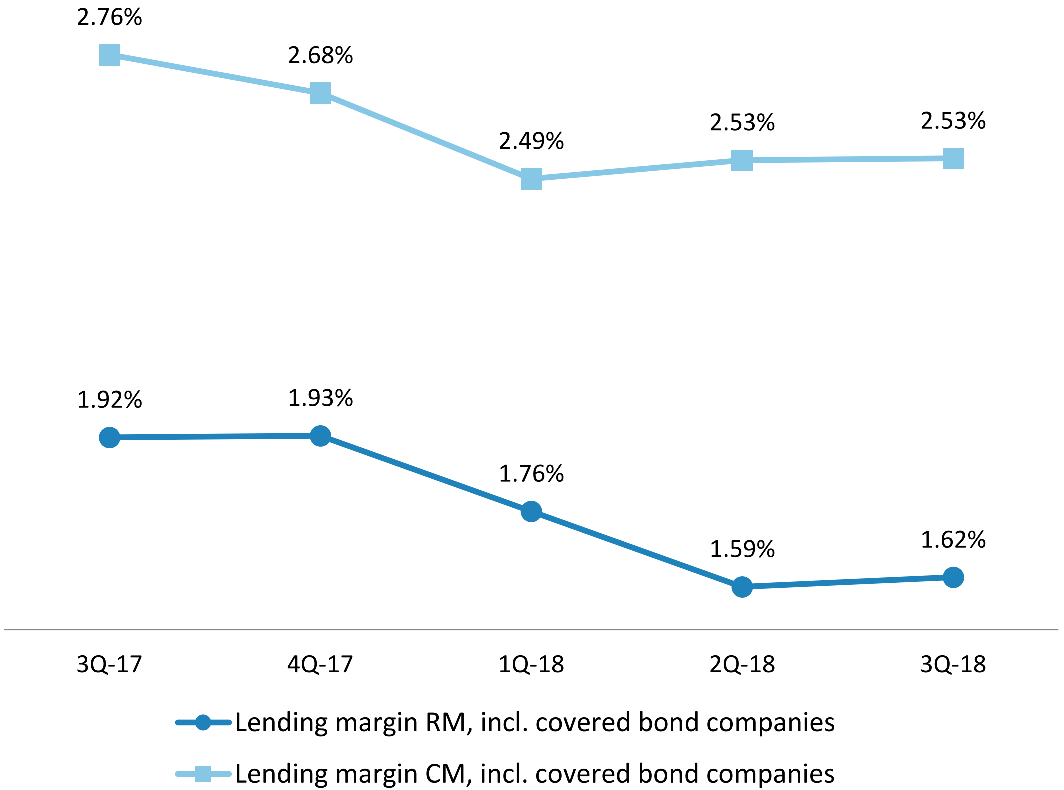
Lending margins

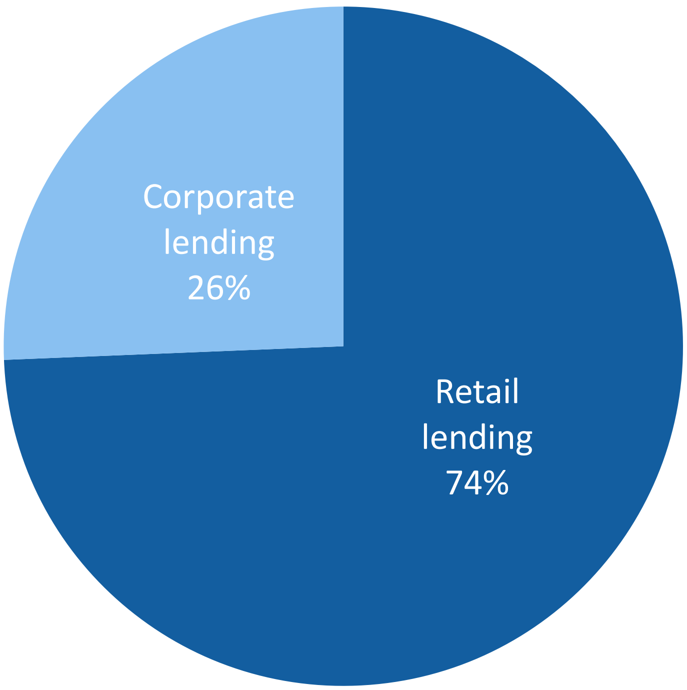
Retail and corporate markets (parent bank)

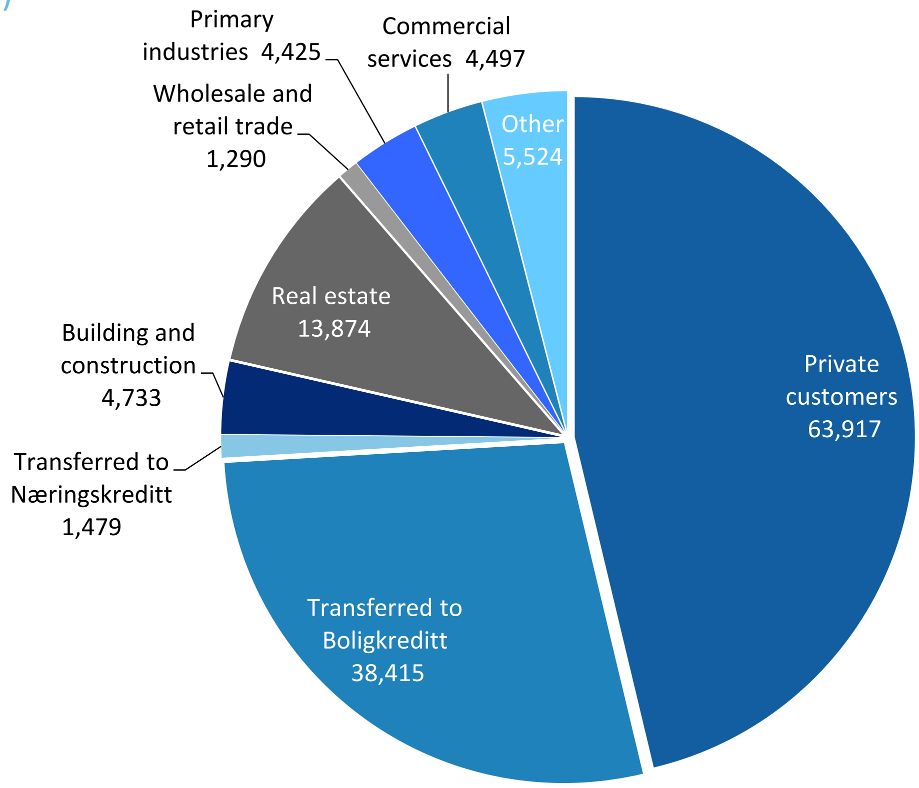


- A continued stabilizing of lending margins during 3Q 18, but shows a marginal increase in RM.
- Marginal increase in corporate lending margins. This is a result of targeted repricing of individual products and customer groups, and focused pricing of new business.
- Interest rate increase with effect from 11 October in CM and 8 November in RM.

Loan book dominated by retail and SME lending

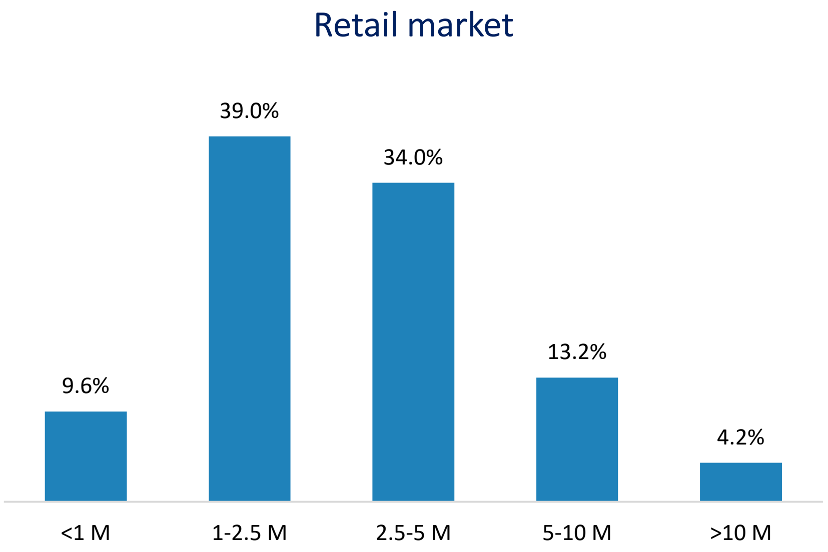
Lending to customers per sector (% and NOK millions)

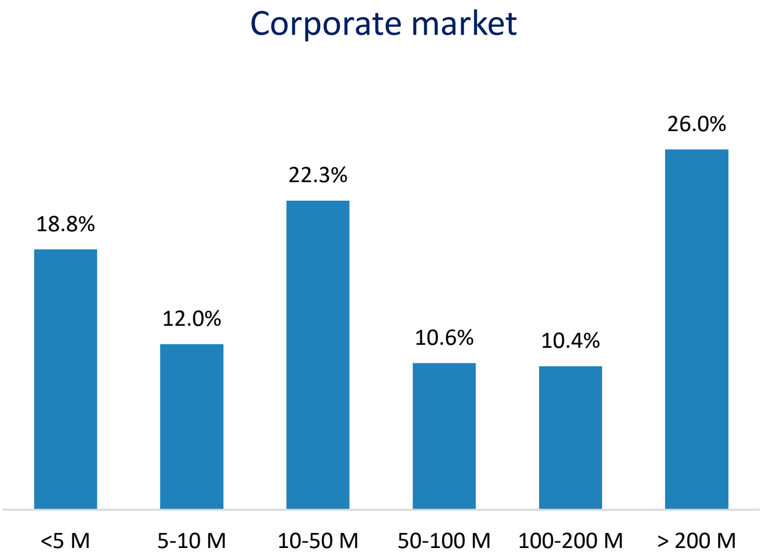




The concentration risk is low

Retail and corporate loans by size (% share)*

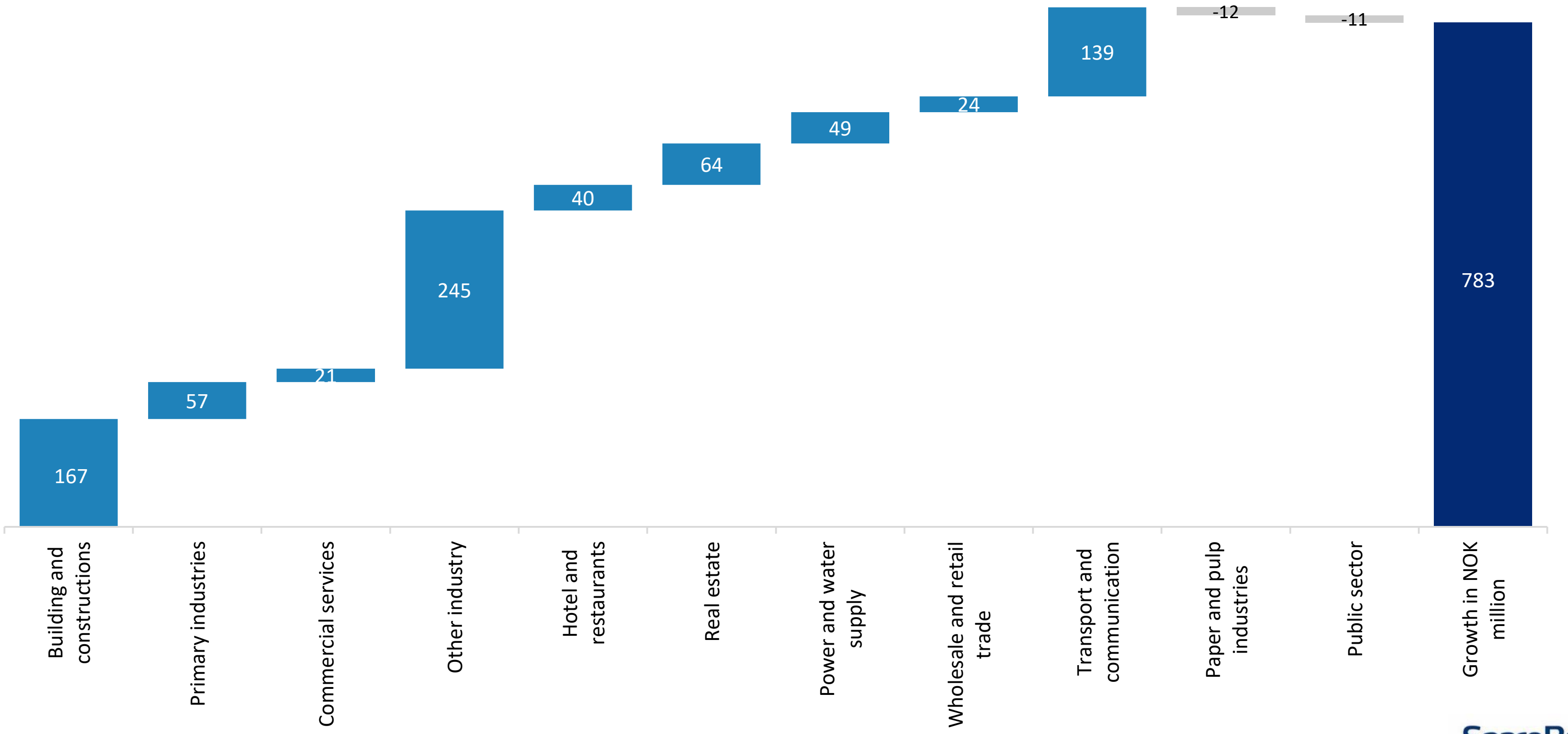




* Including loans transferred to the covered bond companies

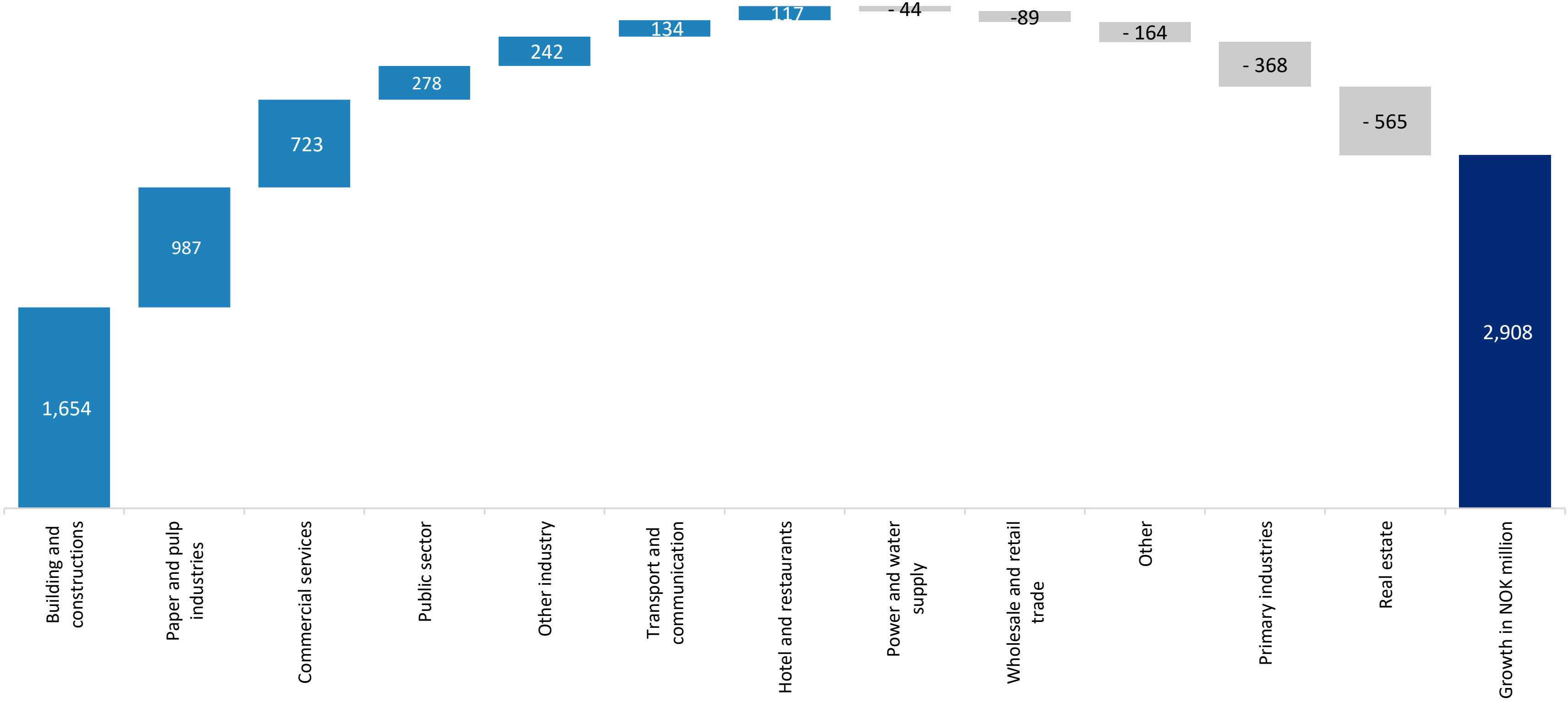
Well diversified growth in corporate loan portfolio last quarter

From 2Q 2018 to 3Q 2018



Well diversified corporate lending growth last year

From 3Q 2017to 3Q 2018



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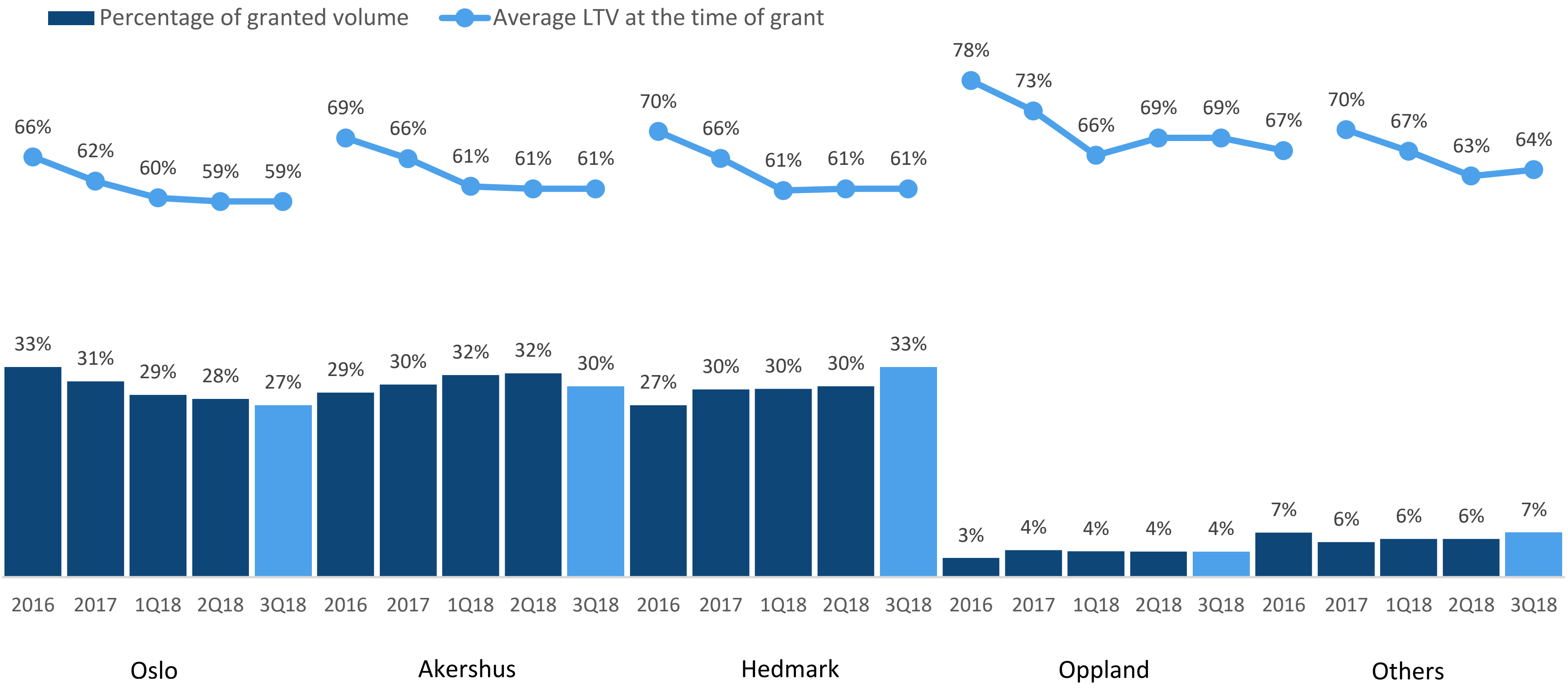
High quality credit process leads to low and stable LTV

Percentage of granted mortgages and average LTV per county



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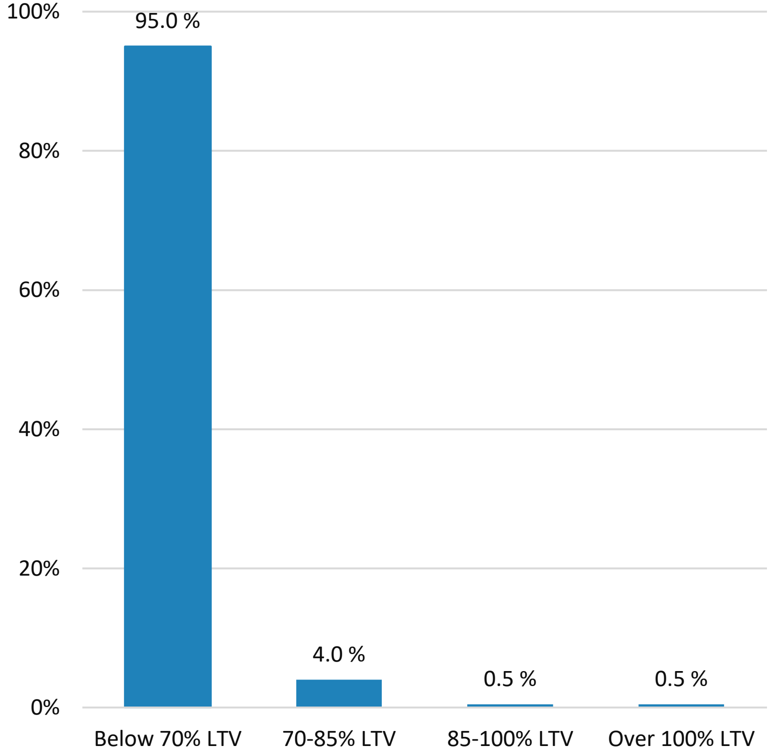
Low LTV in the residential mortgage lending

Exposure per LTV bucket in the residential mortgage portfolio



Mortgages - Utilisation of flexibility quota in 3Q-2018:

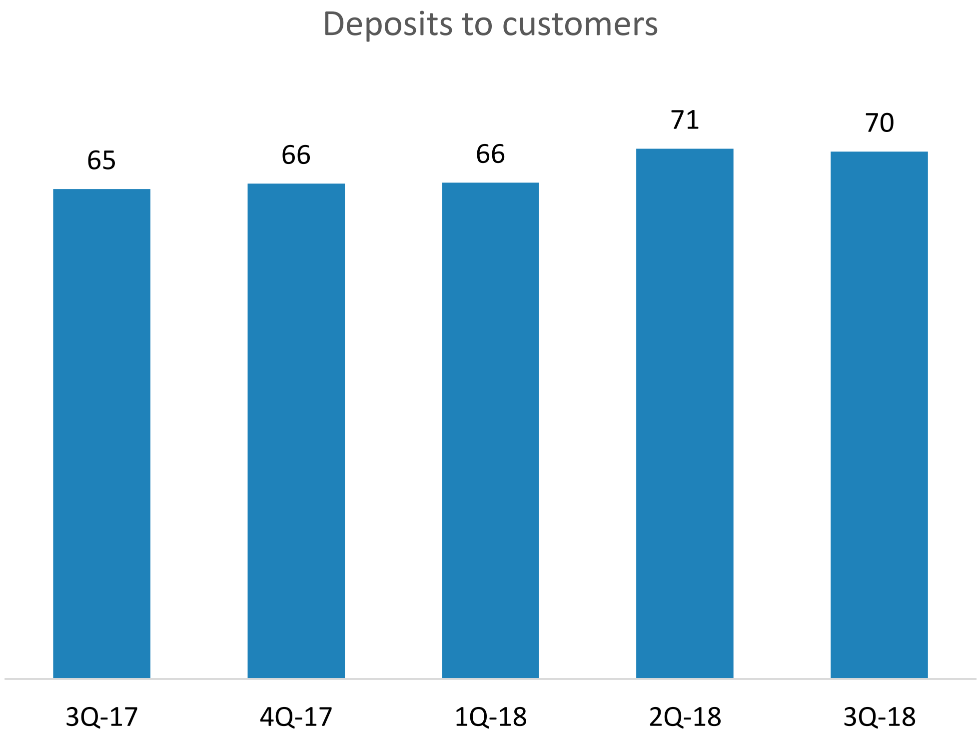
City of Oslo 7.1 % (8 % quota)	Other areas 4.9 % (10 % quota)

- The mortgage regulation* constrains the lending:
  - Debt servicing capacity
    - Stress: 5 % interest rate increase
  - Maximum loan to value (LTV) 85 %
    - 75 % legal limit in the covered pool
  - Gearing
    - Total debt must not exceed five times gross annual income
  - Installment payment
- Exceptions are permitted within 10 % (8 % for Oslo) of the total granted volume each quarter
  - The so called “Flexibility quota”

** "Regulation on the requirements for new lending with collateral in housing"*

Satisfactory deposit coverage and higher deposit growth

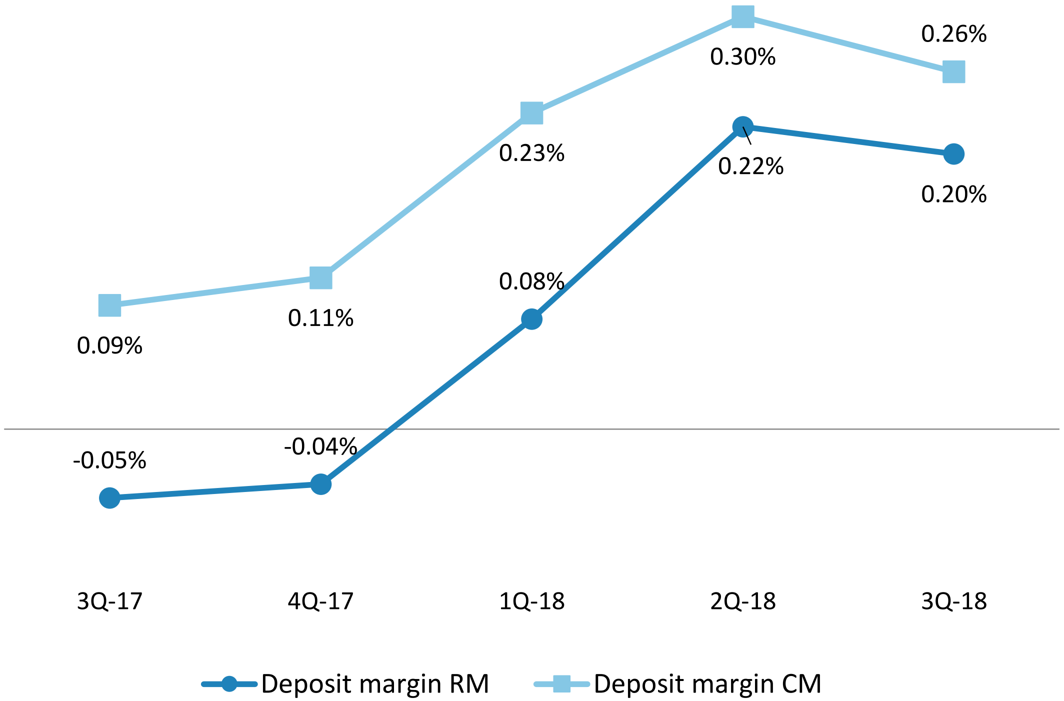
Deposit volume, Group (NOK billions)



- Deposit growth last 12 months 7.6 % (5.1 %)
  - Deposit growth - retail 7.5 %
  - Deposit growth - corporates 7.9 %
- Deposit coverage ratio 71.5 %
- Deposit coverage ratio - including mortgages transferred to the covered bond companies 50.9 %

Deposit margins

Retail market and corporate market (parent bank)*

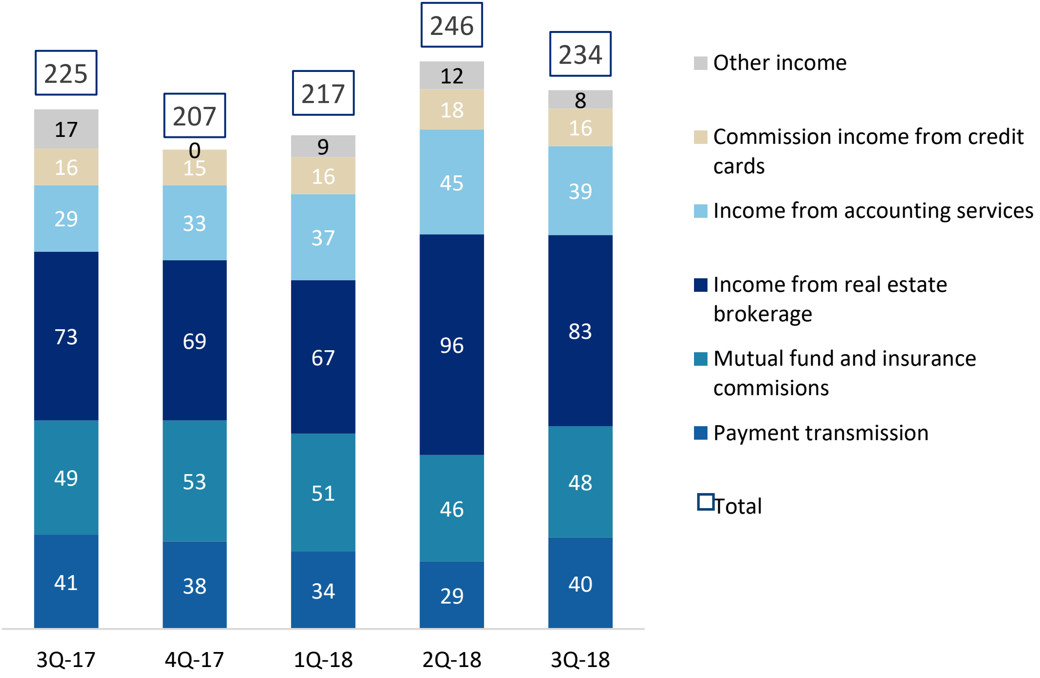


- Marginally reduced deposit margins in last quarter
- The margins are stabilizing after two quarters with strong growth.
- Interest rate increase with effect from 11 October in CM and 8 November in RM.

* Included transferred to covered bond companies

Increased income in subsidiaries

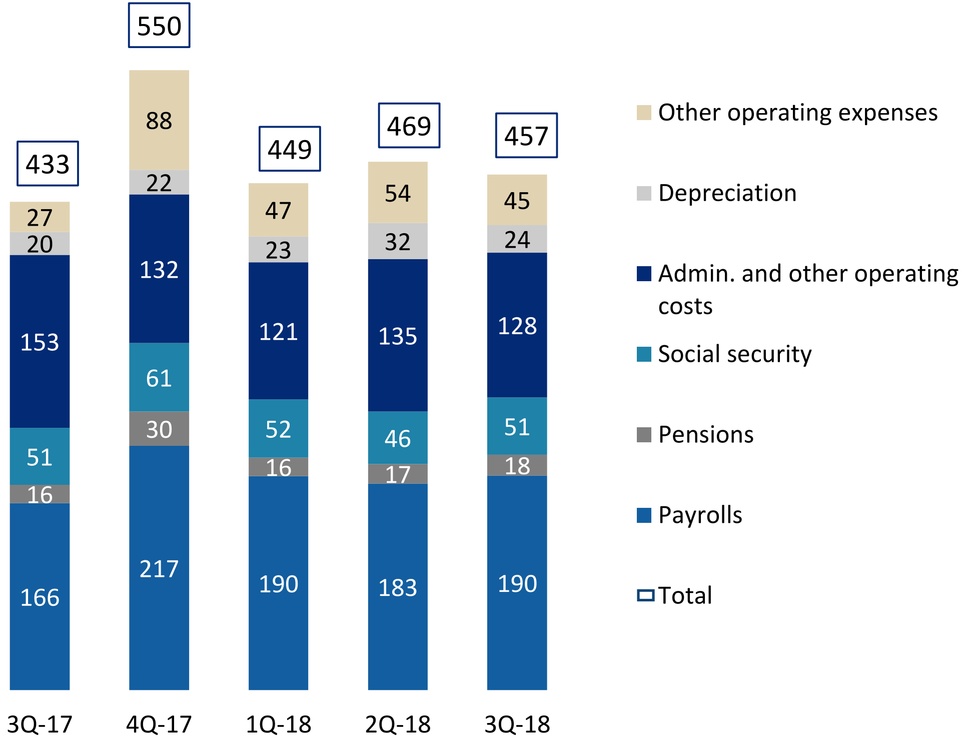
Net commissions and other income (NOK millions)



- Commissions and other operating income was reduced with 5.1 % from last quarter.
- The changes was based on seasonally lower activity in July for real estate brokerage.
- Compared to last year the commission income increased with 3.7 %.

Group operating costs

Operating costs per quarter (NOK millions)



- The operating costs have increased with 5.6 % compared to last year.
- Personnel expenses have increased due to higher activity level and staffing in the subsidiaries.
- Write-downs of an IT project in the EM1 alliance amounted to NOK 5 million in 2Q 2018.

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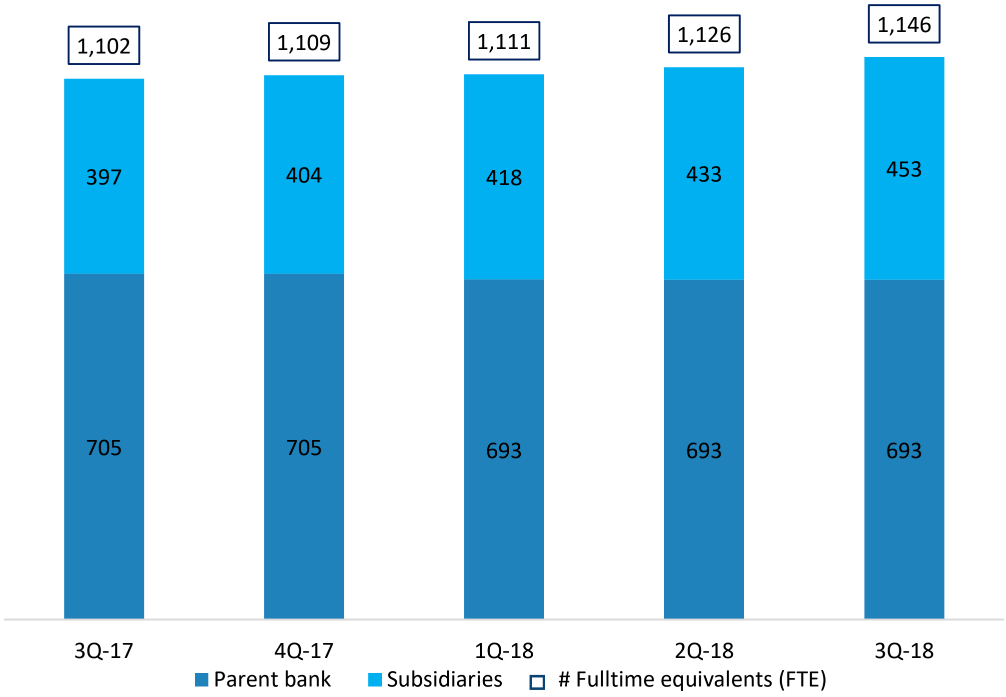
Increased staffing in subsidiaries

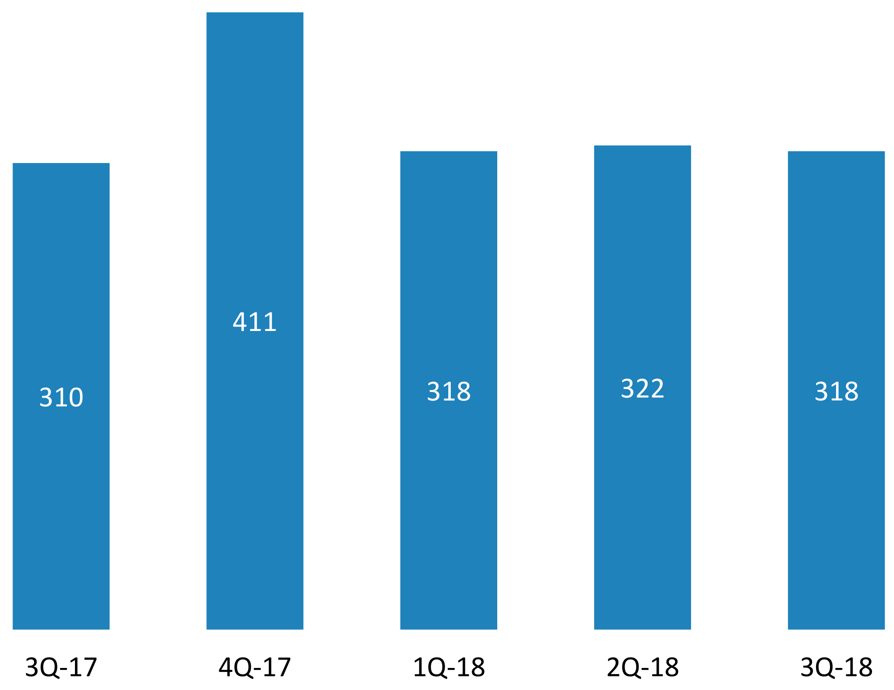
Headcount (FTE)



- Stable level of staffing in the Parent Bank after the merger downsizing has been completed
- Increased staffing in the subsidiaries due to higher ambitions and activity levels in real estate brokerage and accounting services.

Expenses Parent Bank (adjusted*)

Operating Costs per quarter (NOK million)

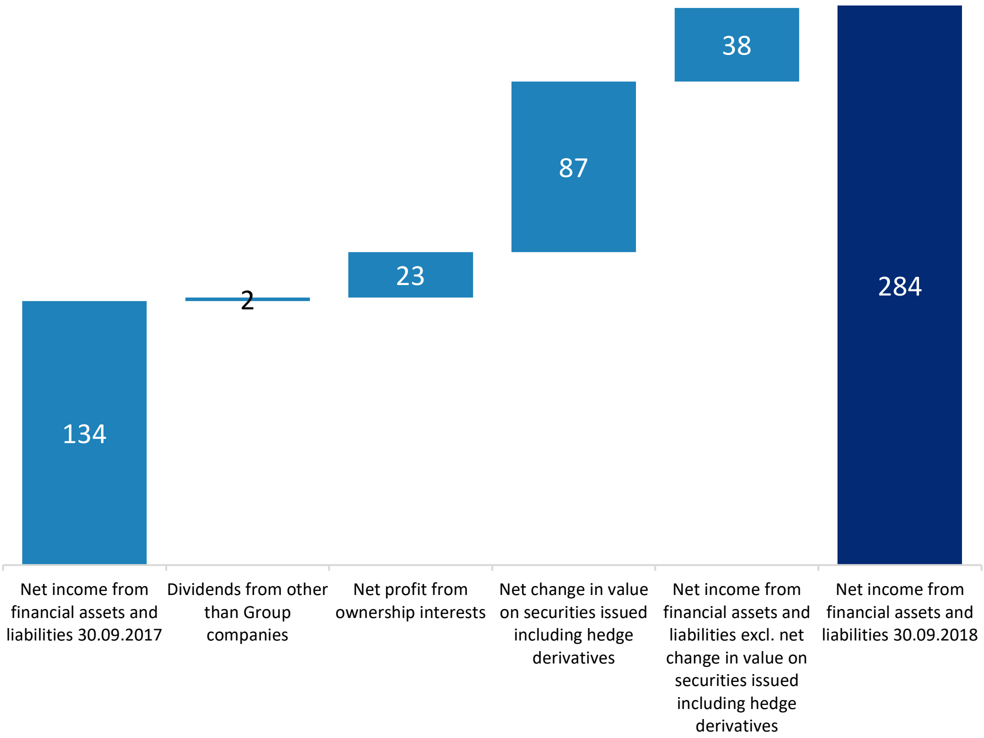


- The operating costs as of 3Q 2018 were NOK 12 million lower than in the same period in 2017.
- This is equivalent to a -1.3 % cost reduction compared with last year.
- The ambition of a 5 % cost reduction in absolute terms for the pro-forma parent for the year 2018 compared with 2017 is maintained.
- Forecasts for 4Q 2018 indicates that the bank is in line to reach its ambition of 5 % cost reduction.

* The analysis takes into account that the former Bank 1 Oslo Akershus is consolidated from 2Q 17. “Adjusted” is calculated as if the merger had effect for the whole year of 2017.

The contribution from financial items has increased

Net income from financial assets and liabilities (NOK millions)



- Net income from financial assets and liabilities has increased with NOK 23 million. See previous slides.

- Issued debt securities were in 2017 generally assessed at fair value and showed, mainly due to lower credit spreads, a loss of NOK 78 million. Issued debt securities are after 1 January 2018 generally assessed at amortised costs (reclassification due to transfer to IFRS 9). The remaining improvement in "net change in securities issues…" compared with last year is marginally positive and counts for NOK 9 million. The accumulated contribution is NOK 87 million.

- Net income from other posts has increased with NOK 38 million. Main contribution is a one-off from the Vipps/BID/BAX-merger (NOK 59 million), bond investments (- NOK 54 million), and positive contribution from ownership interests (NOK 23 million).

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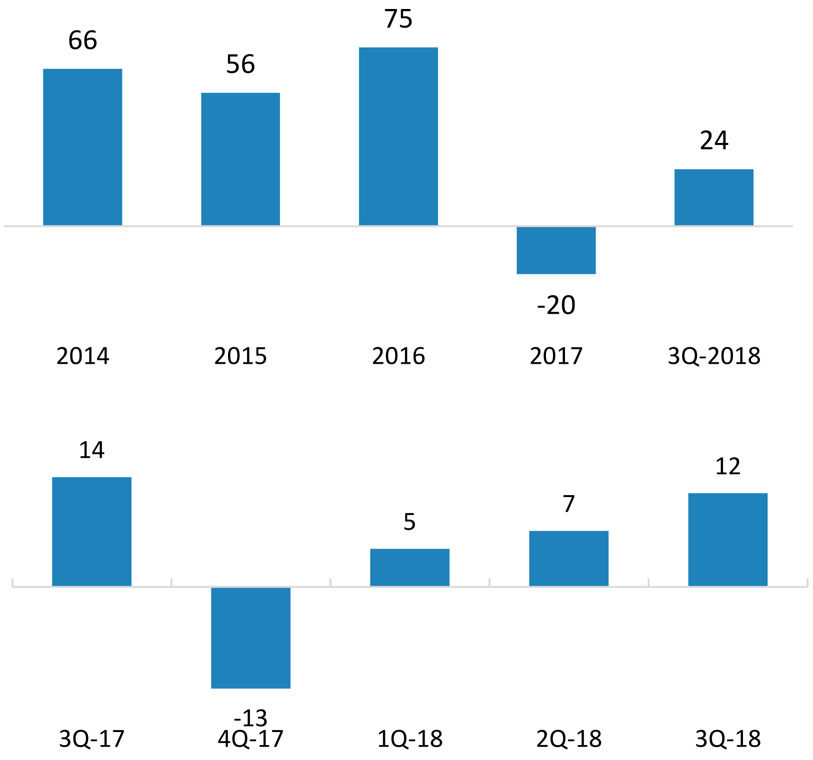
Still low impairments on loans and guarantees

Impairments on loans and guarantees (NOK million)

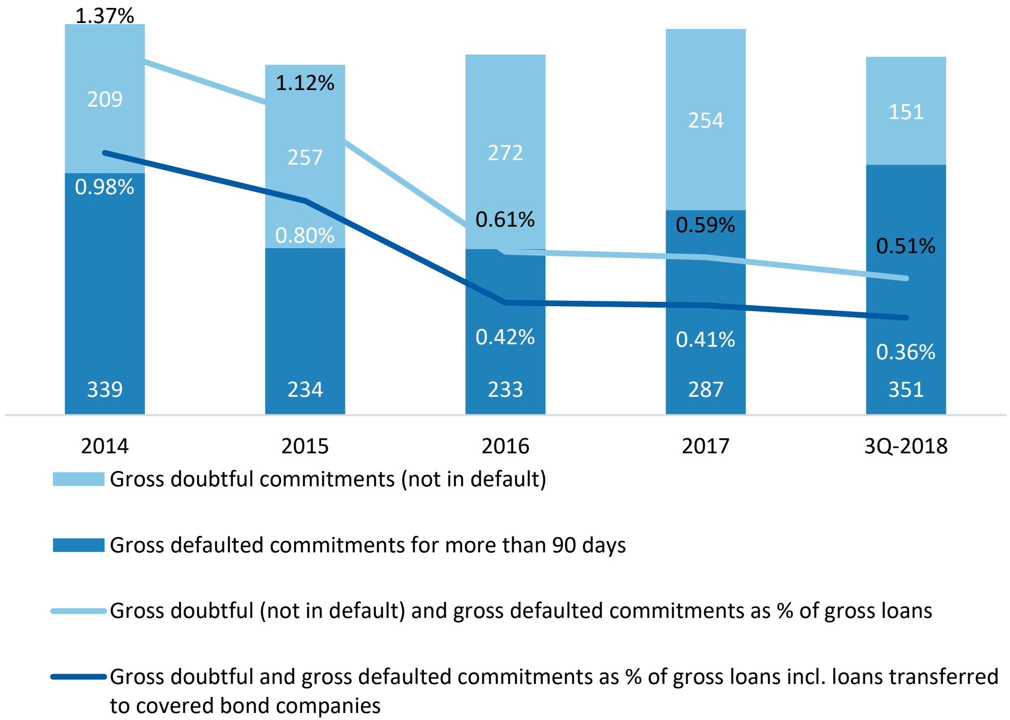


- Impairments on loans and guarantees was NOK 24 million, equal to 0.02 %* of gross loans
  - Parent bank NOK 12 million
  - SB1 Finans Østlandet NOK 12 million
- Impairments on loans and guarantees was NOK 12 million in the third quarter
  - Parent bank NOK 4 million
  - SB1 Finans Østlandet NOK 8 million

* Annualised loss rate.

Low levels of problem loans

Non-performing and other doubtful commitments*



- The proportion of problem loans further decreased

*) NOK million and percentage of total lending

Low impairments and low net exposure in Stage 3

Specification of impairments and net exposure (NOK million)

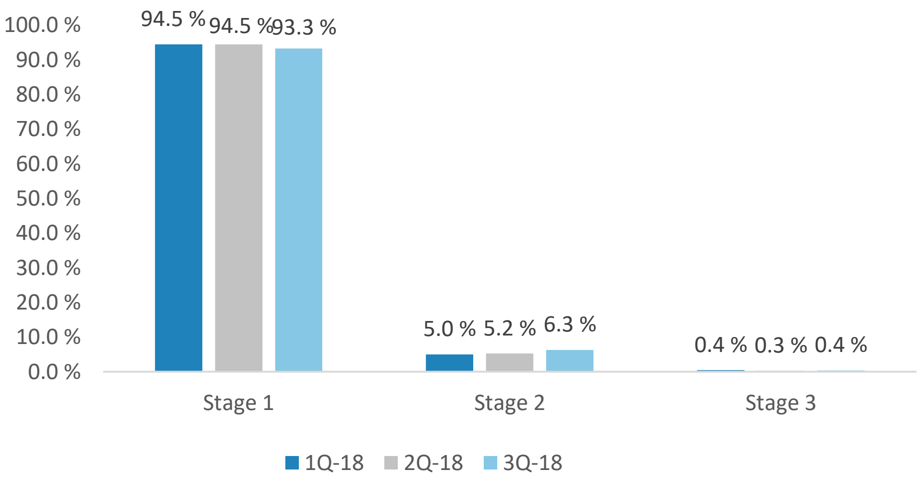
Impairments per segment - quarterly

	3Q18	2Q-18	1Q-18
Personal customers	4	1	3
Corporate customers	0	5	-2
SB 1 Finans Østlandet	8	1	4
Total	12	7	5

- Stage 1 – Initial recognition and no significant deterioration of credit quality – 12-month expected credit losses
- Stage 2 – Significant deterioration of credit quality – Lifetime expected credit losses
- Stage 3 – Significant deterioration of credit quality and objective credit loss – Lifetime expected credit losses

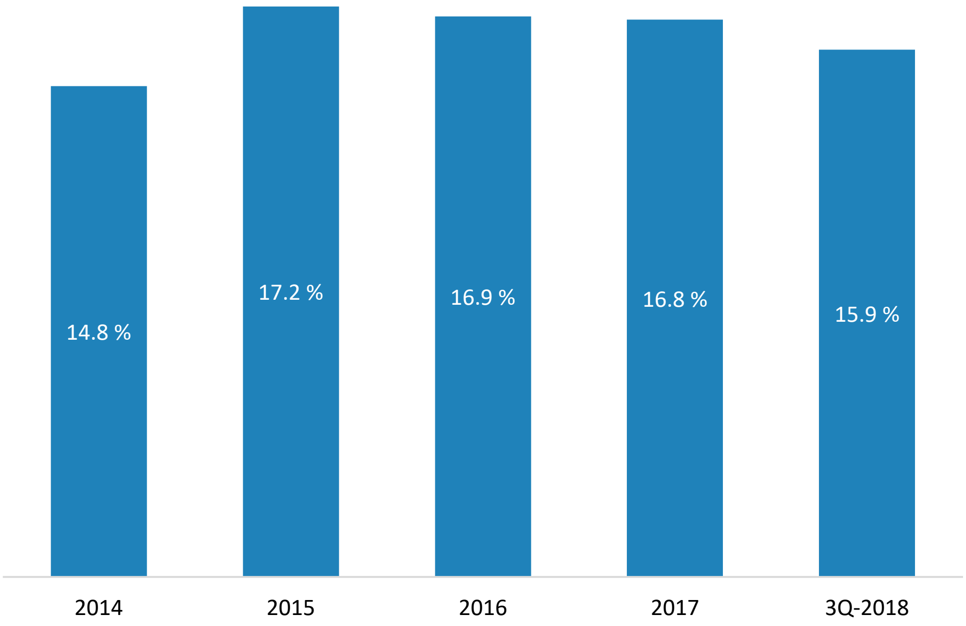
Maximum exposure (on and off-balance sheet items), net of accumulated impairments

Net exposure	Stage 1	Stage 2	Stage 3	Total
1Q-18	87,353	4,647	406	92,406
2Q-18	90,355	4,995	282	95,632
3Q-18	91,419	6,313	527	98,259



CET 1 close to target

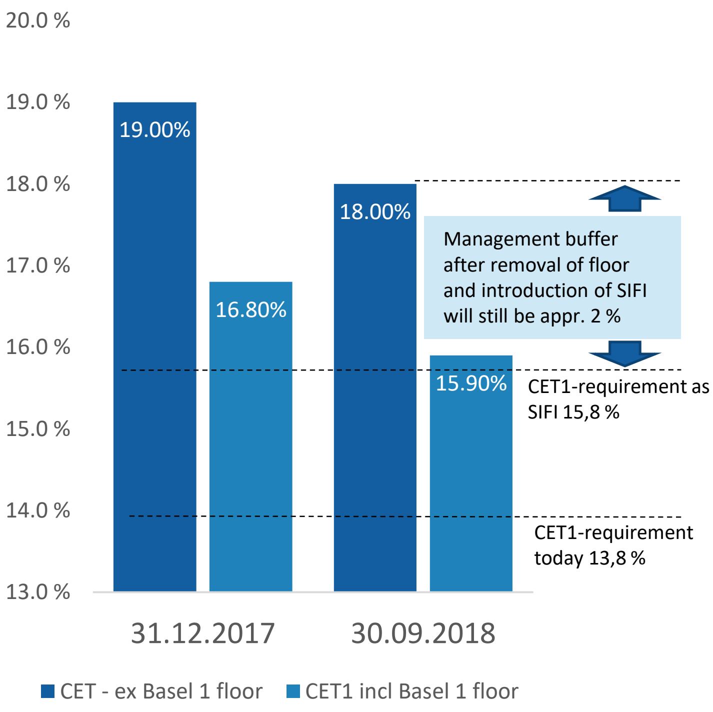
Core equity tier 1 ratio (Group)



- The target for CET 1 is 16.0 %.
- The Group's common equity tier 1 ratio was 15.9 %.
- The reduction in CET 1 was due to strong lending growth in the period.
- The leverage ratio was 7.2 %.

Changes to capital requirements are expected to leave little impact on the bank

Group CET 1 (per cent) – exclusive and inclusive the Basel 1-floor

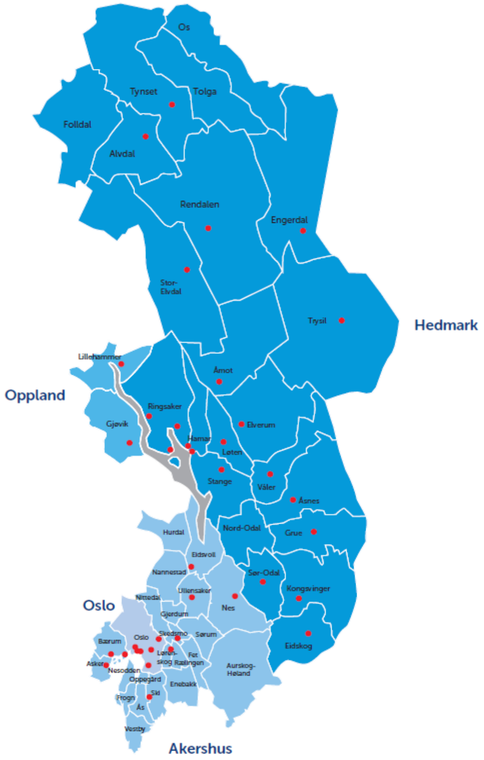


- The group's CET 1, exclusive the Basel 1-floor, is approximately 2 percentage point above the CET 1 inclusive Basel 1.
- The Basel 1-floor is expected to be removed, and as a consequence the group CET 1 will increase with app. 2 percentage points.
- The NFSA delivered 19 October a recommendation to the Ministry of Finance regarding systematically important financial institutions (SIFI). It is expected that SpareBank 1 Østlandet will be defined as SIFI under this regulation with an increased capital requirement of 2 percentage points.
- **These two changes in regulation are expected to have an offsetting effect for SpareBank 1 Østlandet, and the bank considers the SIFI-requirement to have no isolated effect on capitalization, growth plans or dividend policy*.**

* A SIFI-status could have positive impact on Moody's credit rating, as the current negative outlook is based on the implementation of the BRRD which will trigger a reassessment of Moody's government support assumption. As a SIFI-institution the assumption of government support will be stronger, and could have a positive impact at the next rating action by Moody's Investor Service

Well positioned to serve a growth region

Summary



SpareBank 1 ØSTLANDET

Together – to create

Proficient | Nearby | Engaged

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