



Company Presentation

First quarter 2020

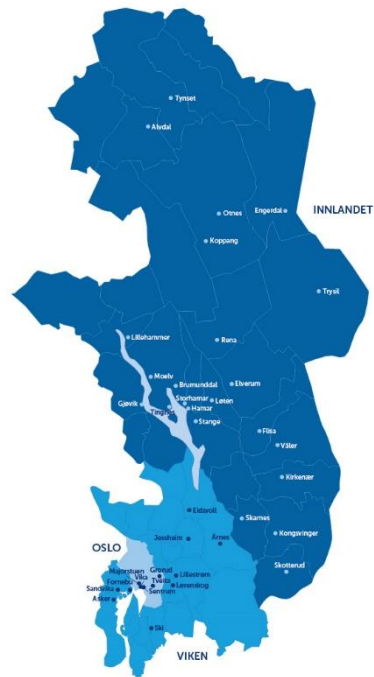
SpareBank 1 Østlandet celebrates its 175th anniversary in 2020



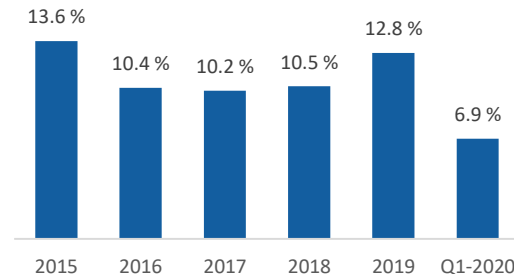
SpareBank 1 Østlandet at a glance

Highlights

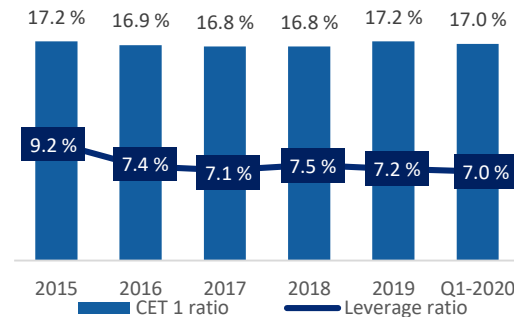
- Celebration: Established in 1845 – known as Sparebanken Hedmark (“SBHE”) until 1 April 2017.
- Norway’s fourth largest savings bank – total adjusted assets* of approx. NOK 189 billion.
- Operations in the Inland and Capital Regions – a market with 1/3 of Norway’s population.
- Head office in Hamar (90 minute drive north of Oslo) – 37 bank branches and 1,148 FTEs.
- 352,000 customers – retail share of total lending 73 %.
- 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.



Return on Equity (ROE) (%)



CET 1 ratio & Leverage ratio (%)





Highlights 1Q-2020

Summary

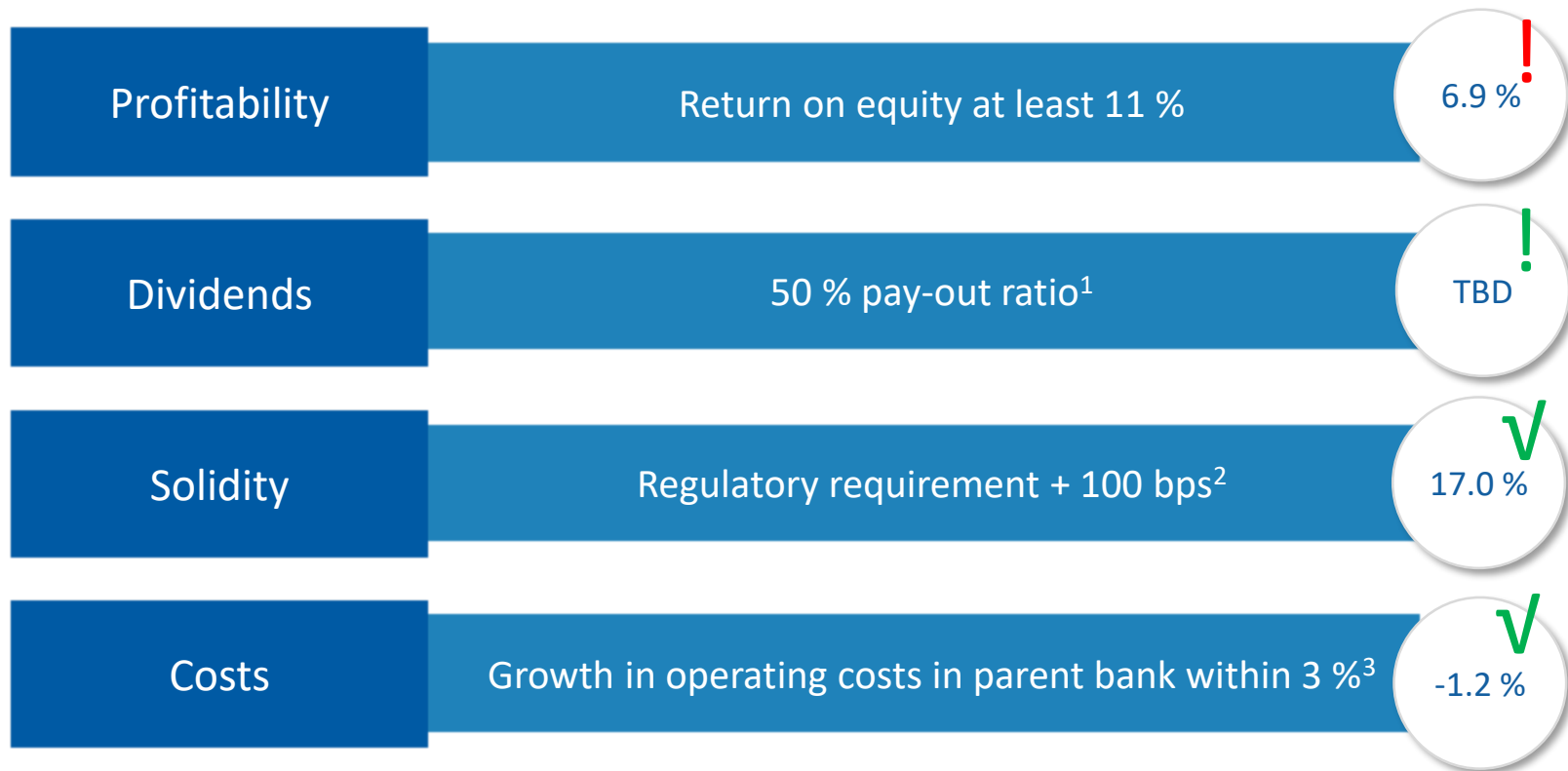
- Solid underlying operations with increased net interest income and good cost control
- Stable customer growth and very high customer satisfaction
- Significant unrealized losses on other financial assets and liabilities
- Reduced contribution from SpareBank 1 Gruppen
- Financial gain from transfer of personal risk portfolio to Fremtind Forsikring AS
- Significant loan loss provisions due to assumed effects from COVID-19. Only small changes in defaults or bankruptcies
- Solid capital adequacy and good liquidity, significantly above requirements and normal situation objectives. Moody's upgraded the rating of the bank's senior debt to Aa3 in March.



The Bank and the Market Area

Covid-19 will affect profitability and dividend in 2020

Long term financial targets and actual performance as of 1Q-2020



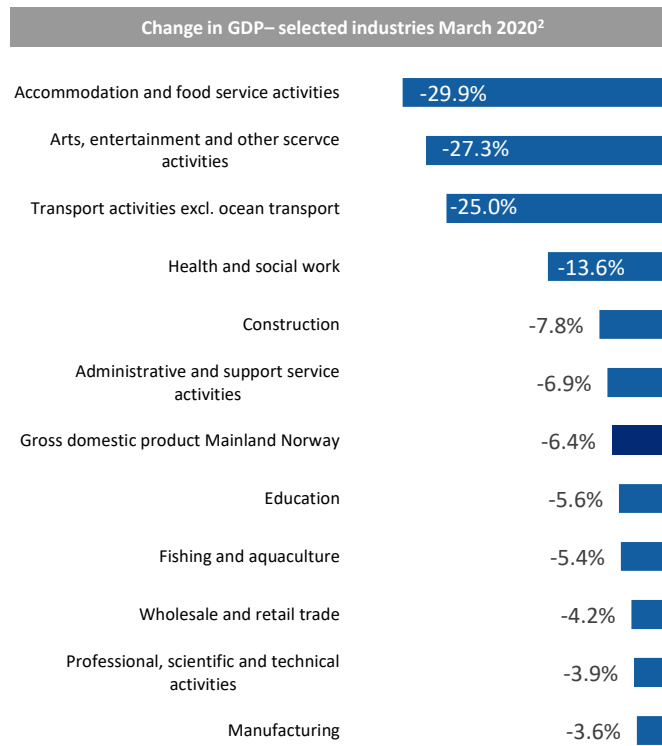
1. With reference to EBA's "Statement on dividends distribution (...)", 31 March 2020. Dividend for 2020 will be decided on basis of dividend policy, market situation and regulatory requirements when presenting the financial accounts for 2020. The Bank's dividend policy is long-term oriented and firm.

2. Currently 15.3 % | 3. After restructuring costs

Sharp GDP downturn due to Covid-19 also affects Eastern Norway

Economic Activity

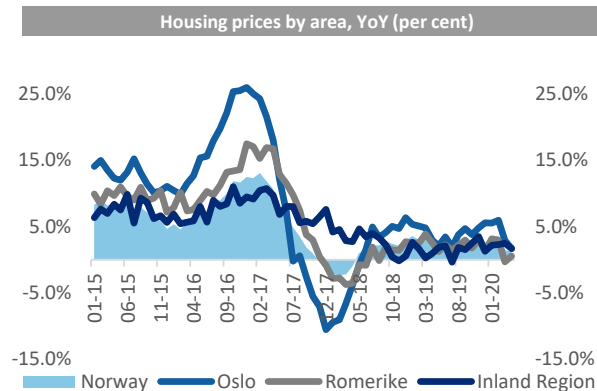
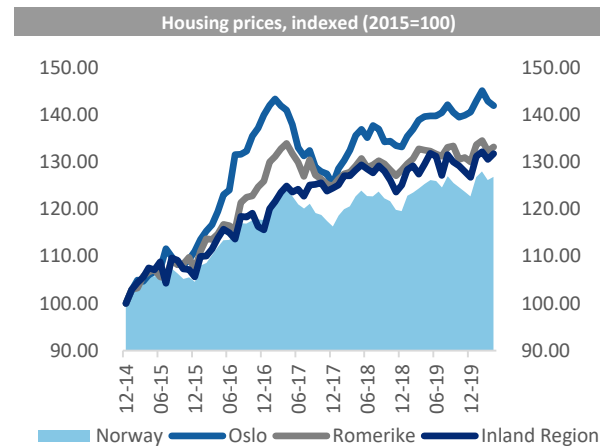
- The coronavirus measures has lead to a sharp downturn in the Norwegian economy.
 - Norwegian mainland GDP shows a 6.4 % decline in March 2020¹.
 - Statistics Norway's forecast is negative 5.5 % for 2020.
 - Largest impact in industries that were shut down early for infection reasons.
- May have long-term impacts.
 - Low oil price and low offshore related investments.
 - Low wage growth and low consumption.
- Powerful fiscal and monetary policy measures are dampening the effects.
 - Record high government spending – oil-adjusted national deficit of NOK 450 bn.
 - Low interest rate. Norges Bank reduces the policy rate from 1.50 % to 0.25 %³
 - Record weak NOK. 7 % weaker than by the end of February 2020⁴.
- SpareBank 1 Østlandet's market area strongly affected by Covid-19
 - Traditionally a cyclical stable region – but Oslo strongly affected by the shut-down
- The Bank has limited direct exposure to the most affected sectors.



Reduction in housing transactions due to Covid-19 – but stable prices

Housing price developments for relevant areas compared with Norway

- Lower activity due to Covid-19 in April, but regional diversity
 - High activity YTD compared to previous years.
 - The Inland Region is still on trend, and experiences the highest transactions volumes YTD since the Financial Crisis.
 - Marginally higher time-to-sale: 55 days (51 in February)
 - Oslo shortest time-to-sale: 21 days
- Housing prices for Norway in April + 0.5 % / seasonally adjusted + 0.2 %
 - Oslo: - 0.7 %
 - The Inland Region: + 0.9 %
- Housing prices for Norway (12 months): + 1.2 %
 - Oslo: + 1.6 %
 - The Inland Region: + 1.7 %

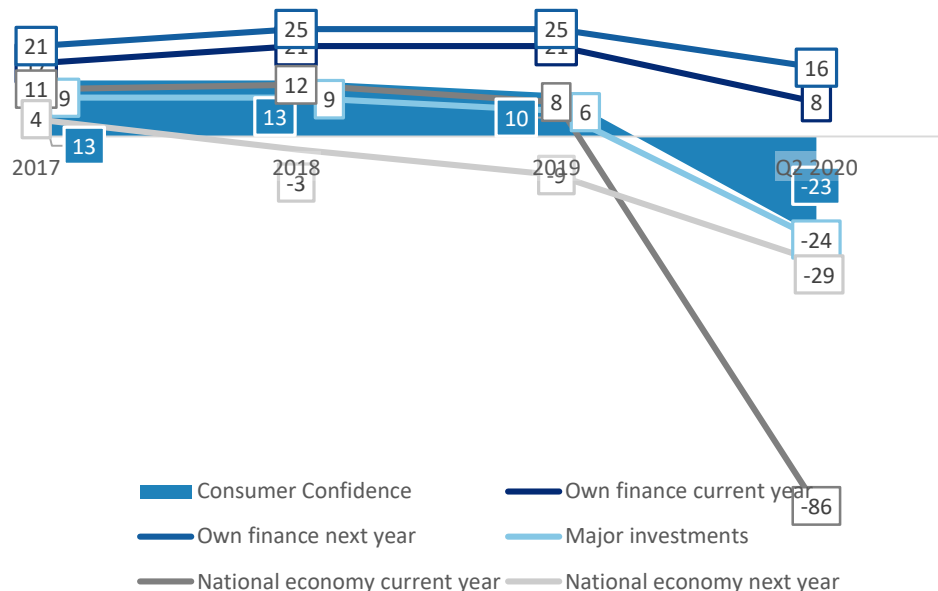


Lower overall expectations – but still positive in own finances

Consumer confidence with sub-indicators for Eastern Norway

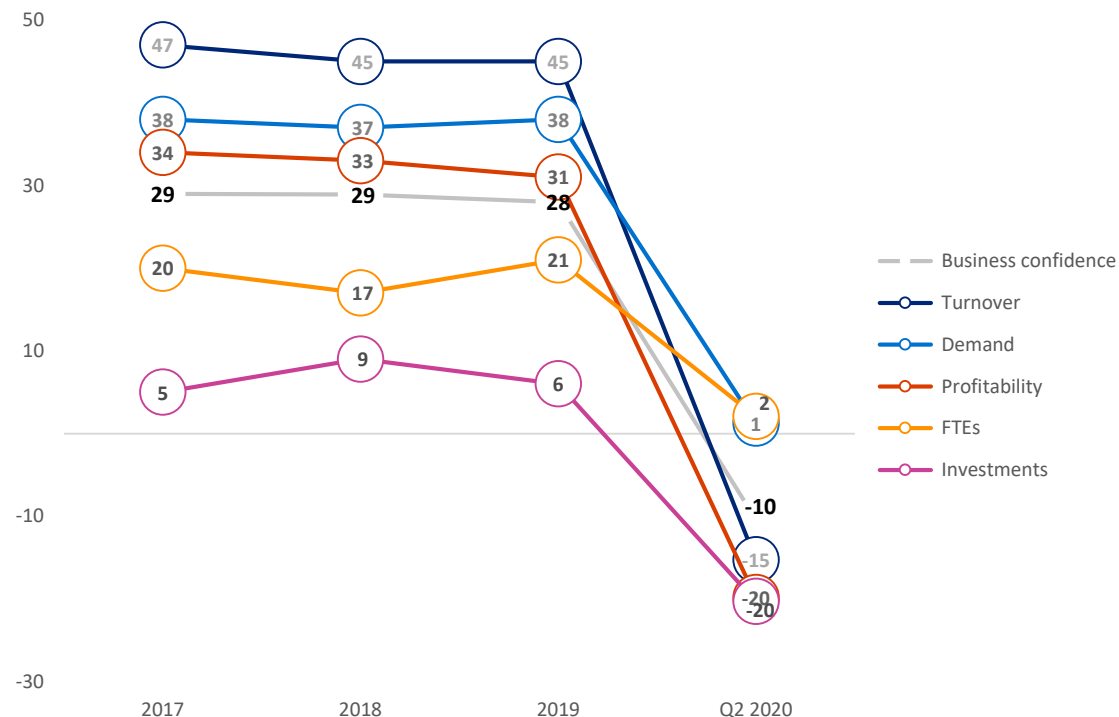
Consumer confidence for Eastern Norway

- Largest reduction in consumer confidence for the national economy.
- Better expectations for own finances – although a slight reduction in the sub-indicator.
- 6 out of 10 plans for major investments the coming year (unchanged from Q4-19).
- Only 4 % of the households have significantly reduced fixed costs due to the coronavirus pandemic.



No fear for bankruptcy despite lower confidence

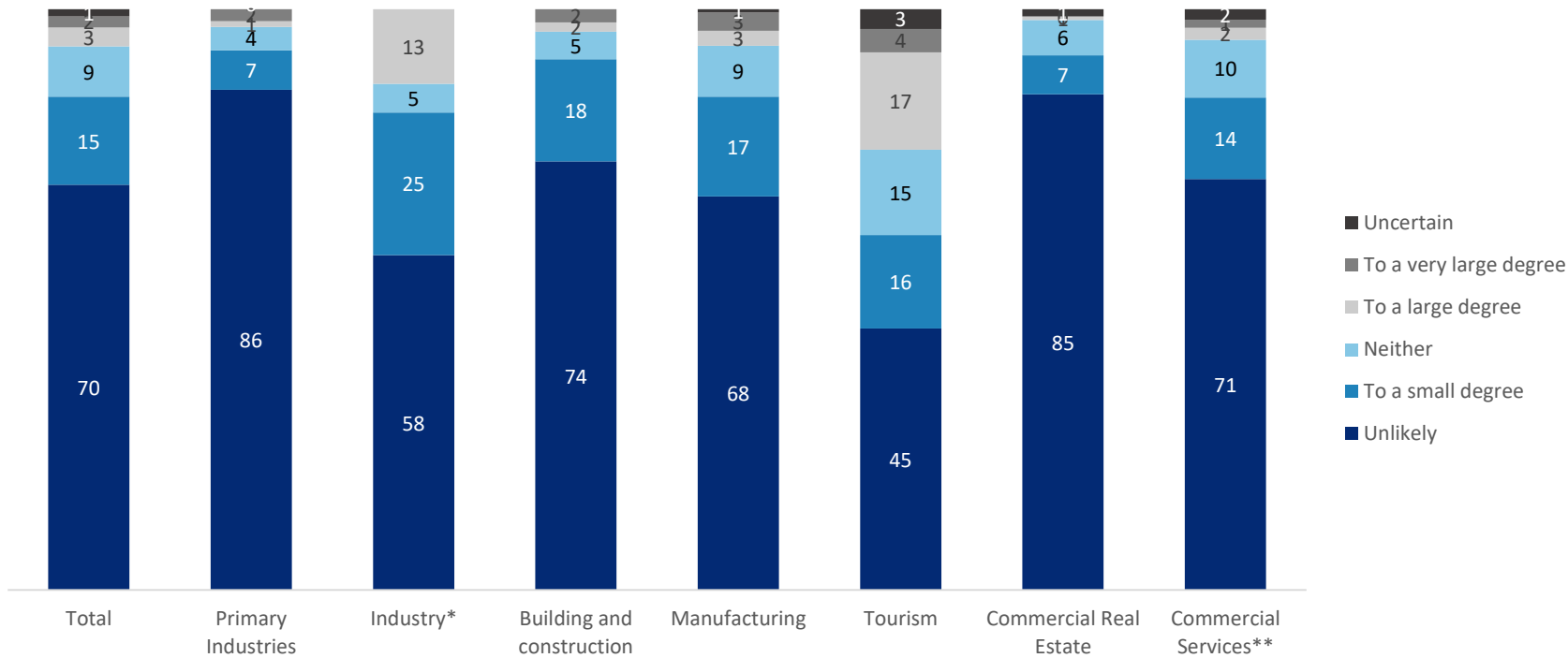
Business confidence in Eastern Norway



- Still positive expectations for demand and labor (FTE).
- Lowest confidence for tourism, industry and commercial services.
- Manufacturing and primary industries have the highest confidence score.
- 86% expect lower growth in the Norwegian economy for the next year compared with last year.
- One out of two businesses (53%) operates as normal.
- 2 out of 10 have changed their business model or found new sources of income.
- 80% think the need for restructuring will increase in the next 12 months.
- 95% are not afraid of bankruptcy.

Only 5 percent of the businesses have a substantial fear of bankruptcy

Question: To what degree does the business fear bankruptcy within the next 12 months?



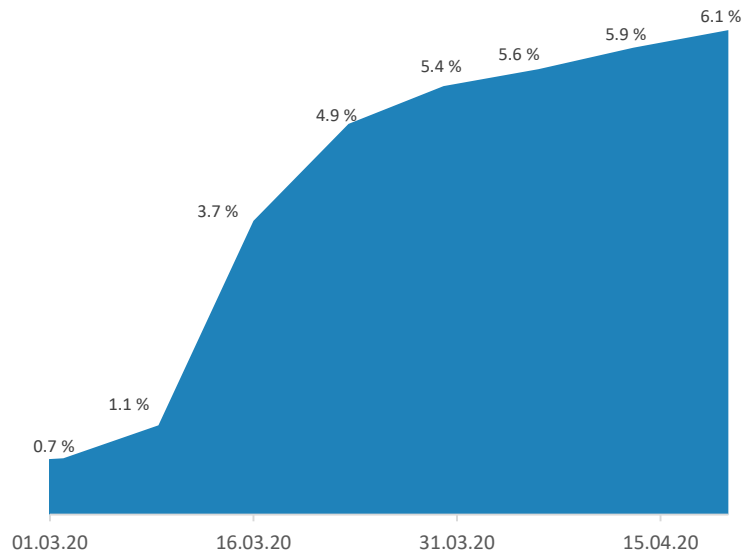
*) Including mining/extraction/el./gas/steam/water and drainage/renovation

**) Transportation and storage/information and communication/finance and insurance/professional, scientific and technical services/commercial services/culture, entertainment and recreational activities/Other services.

Decreasing demand for installment deferral among retail customers

Personal Banking and the coronavirus pandemic

Application for installment deferrals – share of retail portfolio*



- Retail customers were quick to apply for installment deferrals in March, but demand has been declining strongly through April.
 - 3,360 applications in March (after 13 March)
 - 830 applications in April
- The bank show considerably flexibility in installment deferral when needs are assumed to be temporary.
- Marked increase in ordinary mortgage applications after the Easter holiday.
- Closed offices has lead to increased digital meeting activity.
 - Increased demand for personal advisory related to savings and personal finance.
 - The offices are planned to reopen gradually throughout May.

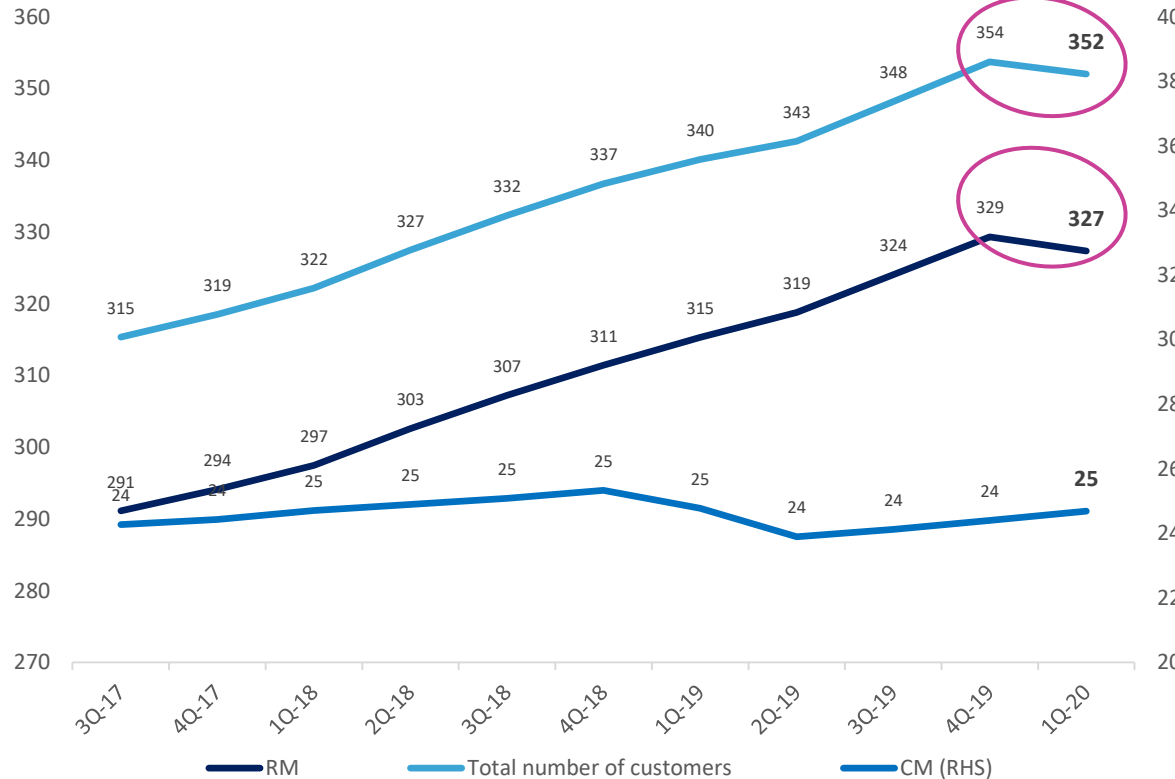
The corporate division has a steady flow of customer inquiries

Corporate Banking and the coronavirus pandemic

- Corporate are pro-active in seeking dialogue with the Bank.
- Customers in vulnerable industries are monitored and followed up more closely.
- The Bank offers several options for temporary relief
 - Installment deferrals – mainly limited to 3 months
 - Liquidity credit covered by the government
 - Buffer facilities.
- Top 5 industries requesting assistance (based on number of customers in the industry):
 1. Commercial real estate
 2. Retail and merchants
 3. Agriculture
 4. Hotels, restaurants and tourism
 5. Public and social services
- By the end of April, approximately 700 installment deferrals had been granted.

The underlying customer growth continues

Numbers of customers in parent bank



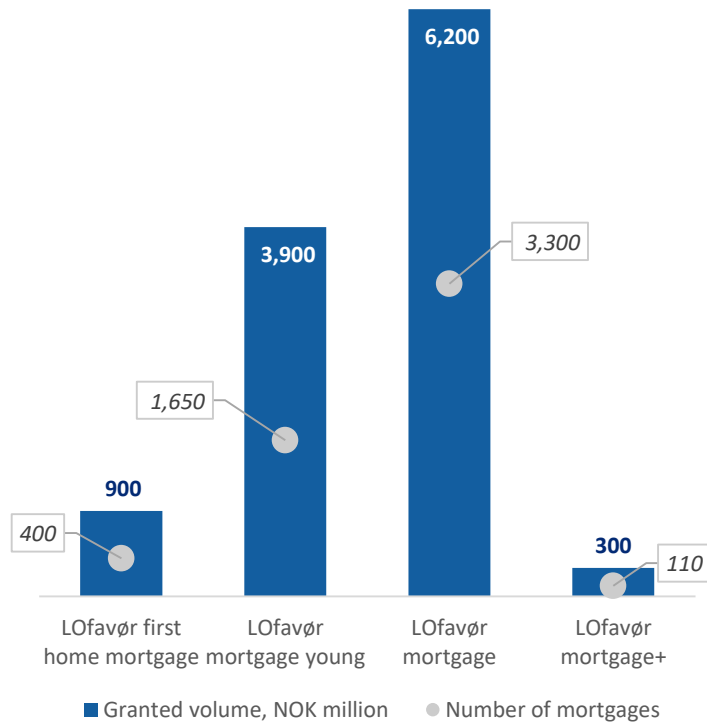
- Additional customers were off-boarded during 1Q-20 in retail banking (RM)
 - A total of 6,143 customers were off-boarded.
 - Customers with very limited account activity.
- RM received 4,164 new customers in 1Q-20
 - 6,143 customers were off-boarded
 - Net customer growth -1,979
- Corporate banking (CM) received 290 new customers in 1Q-20.
- Net customer growth in the Bank last 12 months was 3.5 %.



Increased market share among members of LO*

LO FAVOR mortgages – number of mortgages and granted volume (NOK million)

Housing mortgage volume (NOK million) and number Aug 2019- Apr 2020



- The Bank experiences strong customer growth among members of LO*.
- The agreement between SpareBank 1 Østlandet and LO FAVOR leads to higher visibility among an interesting customer group.

(*) The Norwegian confederation of trade unions (LO)

The customer dividend very welcome by customers this year

Customer dividend 2019

The Supervisory Board decided a customer dividend of NOK 208 million.

- To meet the authorities' recommendations on reduced dividend payments and at the same time balance out the desire to meet the needs of customers and owners, the Supervisory Board decided on a slightly reduced customer dividends at NOK 208 million.
- Customer dividends for 2019 was considered important based on the solid profit in 2019 providing a welcome addition for customers needing some extra financial flexibility during the lock-down.



208 millioner i kundeutbytte



Fredag 24. april har vi gledet av å dele ut 208 millioner kroner i kundeutbytte til kunder som har lån og innskudd hos oss. Det besluttet bankens representantskap før påske.



Hvorfor betaler vi redusert kundeutbytte for 2019?

Eksempel på kundeutbytte 2019

* Forutsetter at du har hatt samme lånebeløp og innskudd på konto gjennom hele året.



Familie (2 låntakere)
Lån: kr 4 mill.
Innskudd: kr 75 000

Kundeutbytte
kr 5 884*



Singel
Lån: kr 2 mill.
Innskudd: kr 600 000

Kundeutbytte
kr 3 754*



Student
BSU: kr 300 000
Innskudd: kr 50 000

Kundeutbytte
kr 505*

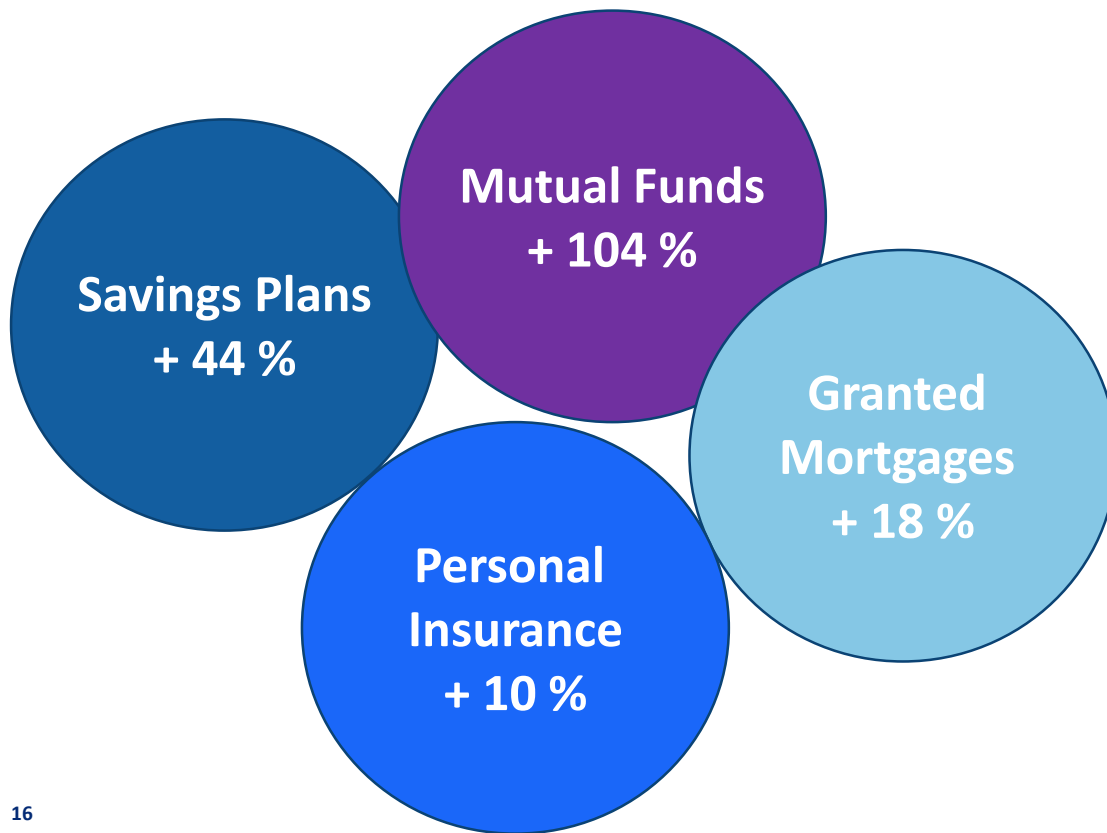


Bedrift
Lån: kr 2 mill.
Innskudd: kr 1,2 mill.

Kundeutbytte
kr 4 620*

The focus on savings and life insurance is increasing

Cross sales 1Q-2020 (increase compared to same period in 2019)



The screenshot shows a web page from SpareBank 1 Østlandet. At the top is a photo of a man and a young child sitting on a bicycle. Below the photo is the title "En bufferkonto har aldri vært viktigere enn nå" and social media sharing icons. The main text discusses the importance of a buffer account in the current economic climate. It includes a quote from a customer, "Kari Elise Glinsk, konserndirektor for privatmarked i SpareBank 1 Østlandet," and mentions that the bank has a dedicated team for handling customer inquiries. There are also links to related articles and a section for related topics.

The Bank's ESG work gains further recognition

ESG news 1Q-2020

- In March, SpareBank 1 again was named the financial industry winner by the Sustainable Brand Index.
- The Bank is climate neutral as of 1Q-2020.
- Partner and sponsor of the Development Goals Forum (DGF 2020).
- In March, the Bank reported emissions related to the corporate portfolio for the first time.
- SpareBank 1 Østlandet was recently re-rated and confirmed with an «A» rating from MSCI ESG Ratings.



The consumers verdict: We are the ESG industry winners



ECO-lighthouse certification for the entire bank

Bransjevis beregning av karbonrelatert kreditteksponering

Navn	Utsatt kapital i Norge (NOK)	Utsatt kapital i resten av verden (NOK)	Utsatt kapital i resten av verden i USD	Utsatt kapital i resten av verden i USD (2019)	Utsatt kapital i resten av verden i USD (2020)
Osloregionen og resten av Norge	700 844	2,3%	430 **	8,60	9,9
Utsatt kapital i resten av verden ***	117 917	4,4%	1 209 **	11,10	57,6
Jordbruk og skogbruk	61 270	8,4%	4 876	79,58	405,7
Skogbruk og skogbruk	4 803	25,2%	39	8,47	9,9
Faglig og teknisk kompetanse	80 138	4,7%	-	-	-
Transport og logistikk	87 384	2,3%	973	11,66	19,6
Industri ***	62 232	2,8%	2 746 ****	44,13	76,1
Byggeri og anleggsgjennomføring	59 495	1,8%	661 **	11,10	12,2
Tjenesteytende næringer ellers	69 966	1,3%	477	6,91	6,1
Utsatt kapital i resten av verden	15 130	3,9%	136	8,99	5,1
Transport ellers og lagring ****	87 125	6,6%	3 084 ****	34,48	17,4
Et: gevinst, damp og vannkraftproduksjon	42 733	0,4%	1 840	43,08	8,2

Carbon related credit exposure – by industry



Innovation camp with beetle brownies on the menu





Financial Accounts 1Q 2020

The financial accounts show impact from the coronavirus pandemic

Financial accounts 1Q 2020 (last year's figures in brackets)

Reduced profitability

Pre-tax profit in 1Q-20 NOK 266 million (NOK 757 million).

Lower return on equity

ROE in 1Q-20 6.9% (21.2%).

Very solid capitalization

CET 1 ratio 17.0 % (16.9 %).
Leverage ratio 7.0 % (7.4 %).

Continued lending growth

Lending growth in 1Q-20 2.1 %
Lending growth 9.1 % (6.5 %) (incl. covered bond companies) last 12 months.

Increased deposit growth

Deposit growth in 1Q-20 1.8 %.
Deposit growth 10.4 % (9.5 %) last 12 months.

Increased impairments

Impairments on loans and guarantees NOK 151 million in 1Q-20 (NOK – 33 million).

Profit contributions from subsidiaries (1)

Profit contribution 1Q 2020 (1Q 2019)



SpareBank 1 Finans Østlandet AS

- Profit after tax NOK 29 million (NOK 29 million).
- Lending growth 7.6 % (12.7 %) last 12 months.
- Strong income development.
- Increased loans loss provision related to the coronavirus pandemic.
- Gain from sale of defaulted portfolio in 1Q 2020.
- Stable operations has been maintained during the coronavirus pandemic.



TheVIT AS

- Profit after tax NOK 0 million (NOK -1 million).
- Revenue NOK 53 (53) million.
- Higher demand for services, but experiences some delays due to the coronavirus pandemic.
- Extensive restructuring towards new technology and process standardization.

Profit contributions from subsidiaries (2)

Profit contribution 1Q 2020 (1Q 2019)



EiendomsMegler 1 Innlandet AS

- Profit after tax NOK 0 million (NOK -2 million).
- Income NOK 28 million (NOK 25 million).
- Marginally negative effect of the coronavirus pandemic so far. Commission and sales volume on par with last year.
- Increase in income due to higher turnover in the second hand real estate market.
- Established a new business unit for agricultural real estate.
- Stable market conditions for the time being. Leisure real estate most vulnerable.



EiendomsMegler 1 Oslo Akershus AS

- Profit after tax NOK -1 million (NOK 3 million)
- The reduction in profit in 1Q-20 is due to a reversal of previous years' tax expense of NOK 3 million.
- A 15 % reduction in sold units in March compared to 1Q-19.
- Due to the decline in housing sales, some employees were furloughed in March.

Contribution from joint ventures (1)

Profit contribution 1Q 2020 (1Q 2019)



SpareBank 1 Gruppen AS

- Profit after tax NOK -780 million (NOK 240 million).
- The controlling interest's share of profit NOK -591 (193) million. Ownership 12.4 %.
- SpareBank 1 Østlandet's share of this amounted to NOK -73 (24) million.
- Significant insurance provisions, payments on travel insurance and negative financial returns as a result of the coronavirus pandemic contribute to the negative result.



SpareBank 1 Boligkreditt AS

- Profit after tax NOK -132 million (NOK 80 million).
- Ownership 22.29 %.
- Lower earnings driven by MTM-effects on other financial assets and liabilities.

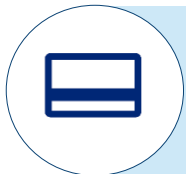


SpareBank 1 Næringskreditt

- Profit after tax NOK 45 million (NOK 36 million).
- Ownership 17.7 %.
- Lower earnings driven by MTM-effects on other financial assets and liabilities.

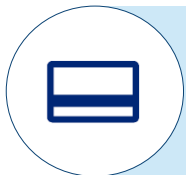
Contribution from joint ventures (2)

Profit contribution 1Q 2020 (1Q 2019)



SpareBank 1 Kredittkort AS

- Profit after tax NOK 2 million (NOK 18 million).
- Ownership 20.87 %.
- Lower earnings from transaction fees, commission income and income from banking services.



SpareBank 1 Betaling AS

- Profit after tax NOK -11 million (NOK -14 million).
- Ownership 18.74 %



BN Bank ASA

- Profit after tax NOK 69 million (NOK 74 million).
- Ownership 9.99 %.
- Earnings affected by increased model based provisions under IFRS 9 related to assumed effects of the coronavirus pandemic.
- Owner since 24 May 2019

Income statement 1Q 2020 (1Q 2019)

Group

	1Q 2020	1Q 2019	2019
Net interest income	594	508	2,166
Net commission income	279	273	1,152
Other income	64	67	236
Dividends	12	12	19
Net profit from ownership interest	115	346	519
Net income from financial assets/liabilities	-175	65	197
Total operating expenses	487	494	1,930
Operating profit before losses on loans and guarantees	402	777	2,359
Impairment on loans and guarantees	151	-33	32
Pre-tax operating profit	251	810	2,326
Tax expense	-16	54	398
Profit/loss after tax	266	757	1,928
Return on equity capital after tax	6.9 %	21.2 %	12.8 %
Total operating expenses in relation to total income	54.7 %	38.8 %	45.0 %
Losses on loans as a percentage of gross loans	0.56 %	-0.14 %	0.03 %

Special items 1Q-2020 - 1

Description and effects

Fremtind Forsikring AS

1. Transfer of the personal risk area from SpareBank 1 Forsikring AS to Fremtind Forsikring AS with accounting effect from 1 January 2020.
 1. In the agreement between SpareBank 1 Gruppen AS and DNB ASA of 24 September 2019, the total value of the personal risk area was estimated to be NOK 6.25 billion. The demerger resulted in increased equity for SpareBank 1 Gruppen at group level. The controlling interest's (the SpareBank 1 banks and LO) share of this increase was NOK 1.75 billion. SpareBank 1 Østlandet's share of this increase (12.4 per cent) amounted to NOK 217 million and was recognized as income in the first quarter of 2020.
 2. SpareBank 1 Gruppen AS (parent company) received a tax-free gain of NOK 937 million as a result of the demerger. SpareBank 1 Gruppen AS will strengthen its dividend capacity in line with this gain. SpareBank 1 Østlandet's share of possible future dividend on the proceeds of NOK 937 billion will amount to NOK 116 million.
2. DNB ASA had an option that could increase the ownership interest in Fremtind Forsikring AS to 40 %. The option expired without being called on 31 March 2020.
 - DNB has stated that they are satisfied with the cooperation and development of Fremtind Forsikring AS, and is interested in increasing its stake in the company in the long term. However, due to today's market conditions , DNB stated that exercising such an option was not desirable.
 - SpareBank 1 Gruppen AS and DNB ASA thus retain the current ownership shares of 65 per cent and 35 per cent respectively.

Special items 1Q-2020 - 2

Description and effects

Tax deductibility of customer dividend

- On January 28 January the Bank received a binding ruling from The Norwegian Tax Administration stating that the customer dividend paid by the bank is tax deductible.
- The Supervisory Board decided on 26 March to pay NOK 208 million in customer dividends for 2019.
- A tax deduction of NOK 52 million was booked in 1Q-20.

Loan loss provisions

- In 1Q-20 SpareBank 1 Østlandet booked a loss of NOK 151 (-33) million.
- Approximately NOK 142 million is model based provisions for future assumed effects of to the coronavirus pandemic.
- Please refer to later slides for specification of the loan loss provisions for 1Q-20.

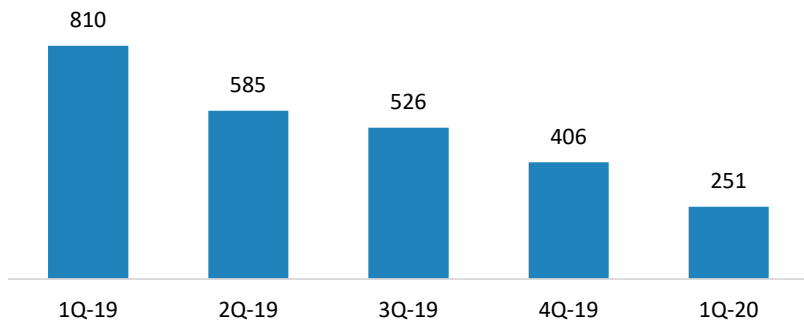
Adjustment of dividend and customer dividend for 2019

- The Board of Directors proposed a reduced owner's and customer dividends to the Bank's Supervisory Board due to the coronavirus pandemic and recommendations of the Norwegian MoF.
- The dividend payout ratio was reduced from 50 % to 40 %, equivalent to an increase in retained profit of NOK 190 million (transferred to the dividend equalization fund and primary capital for possible future dividend).
- The effect on CET 1 of this reduction is estimated to approximately 0.3 percentage points increase.

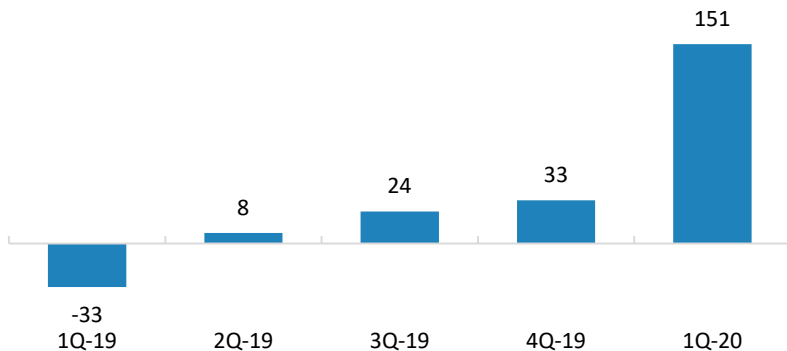
Key financials – quarterly

(1)

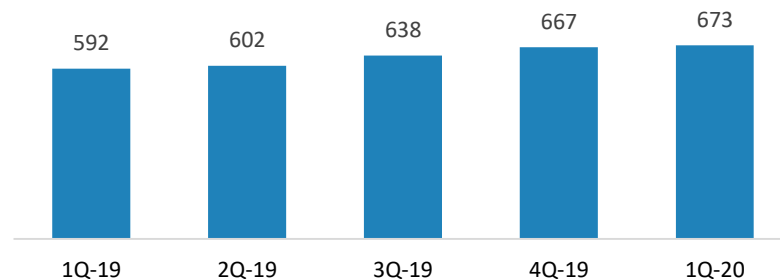
Pre-tax profit (NOK million)



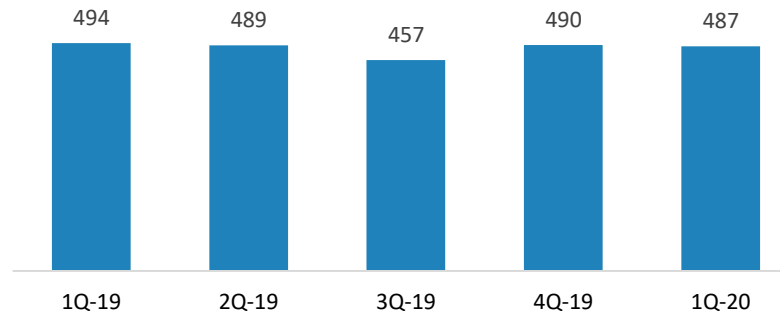
Impairments on loans and guarantees (NOK million)



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



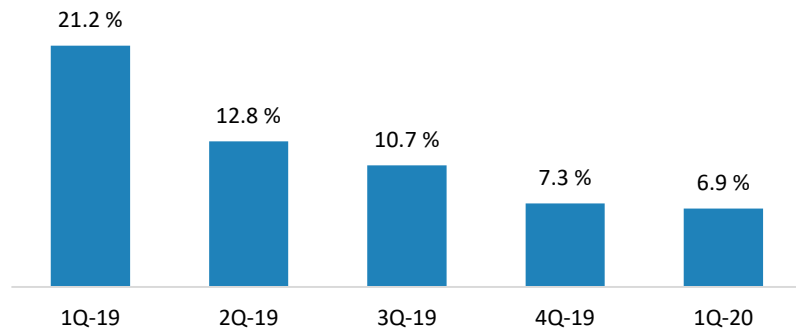
Total operating costs (NOK million)



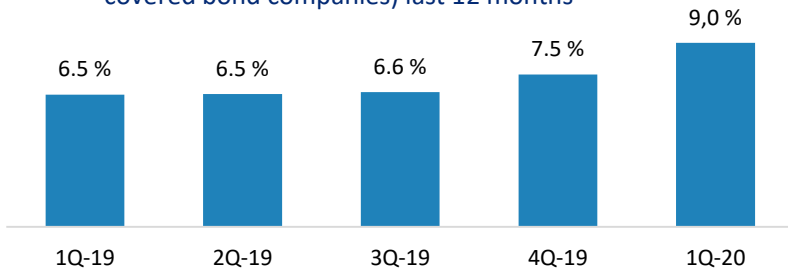
Key financials – quarterly

(2)

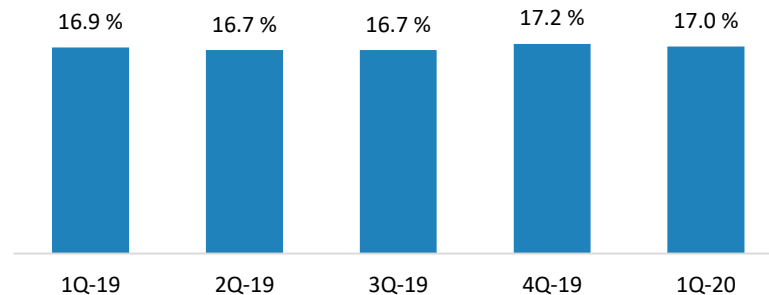
Return on equity



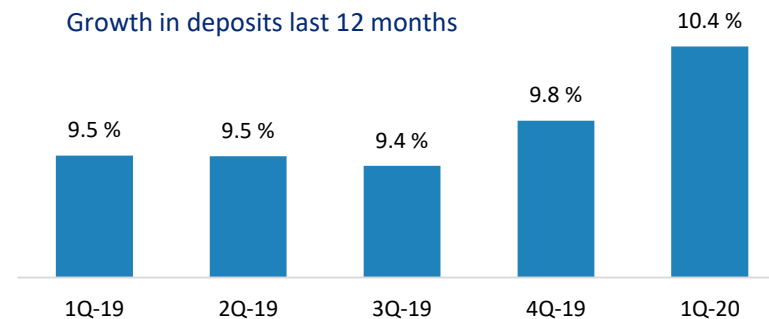
Lending growth (including mortgage transferred to covered bond companies) last 12 months



CET 1 ratio

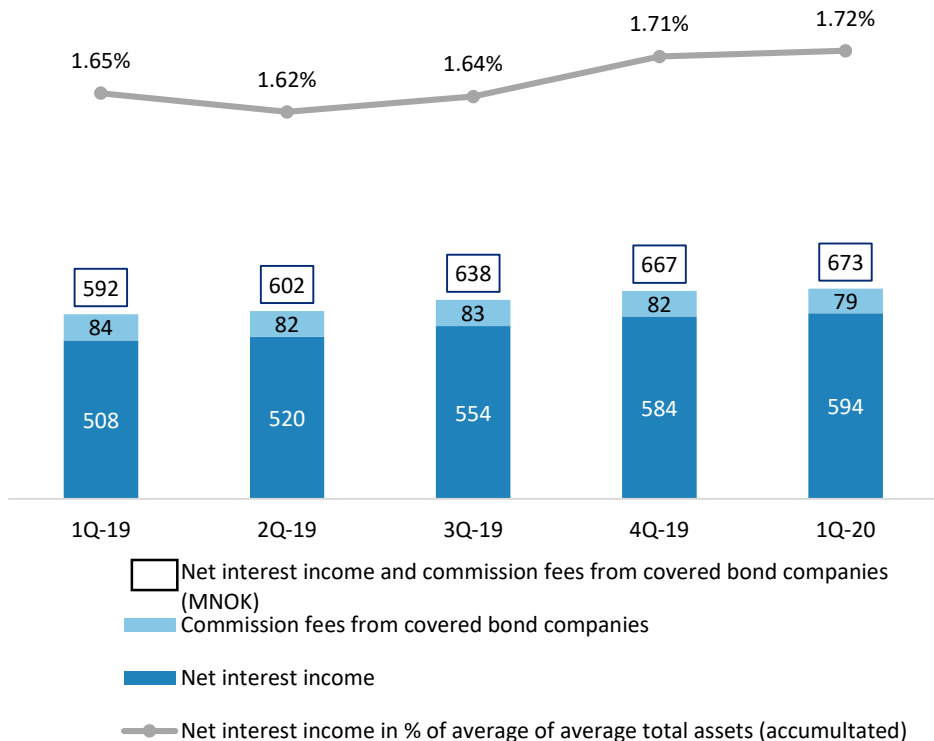


Growth in deposits last 12 months



Continued growth in net interest income

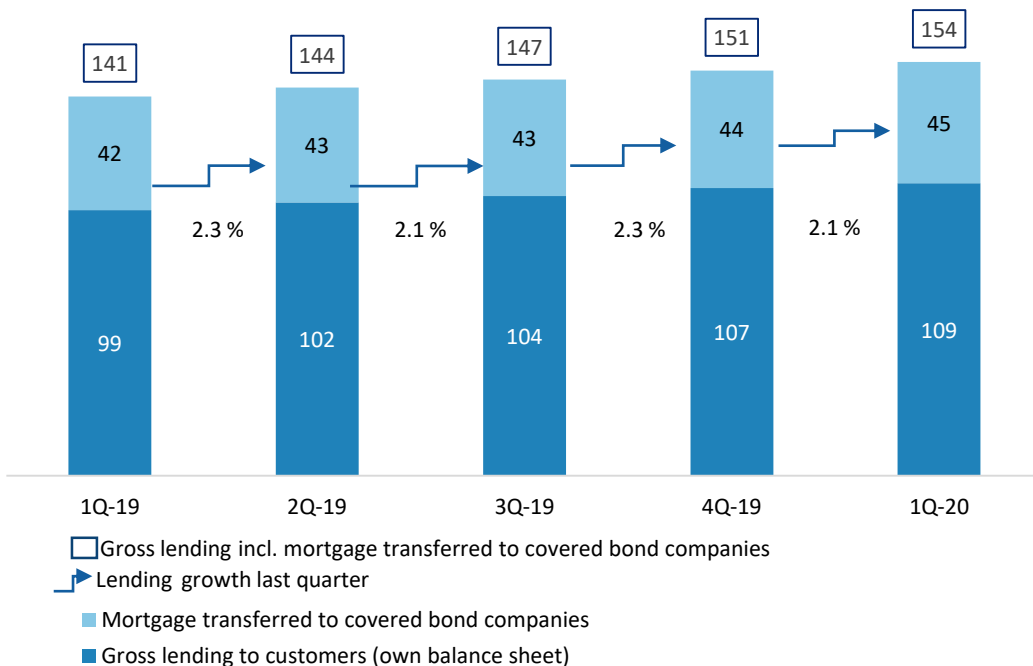
Net interest income incl. commissions from covered bond companies



- Growth in net interest income in 1Q-20, as a combination of margins and volume
- Reduced commission income from covered bond companies.

Continued strong lending growth

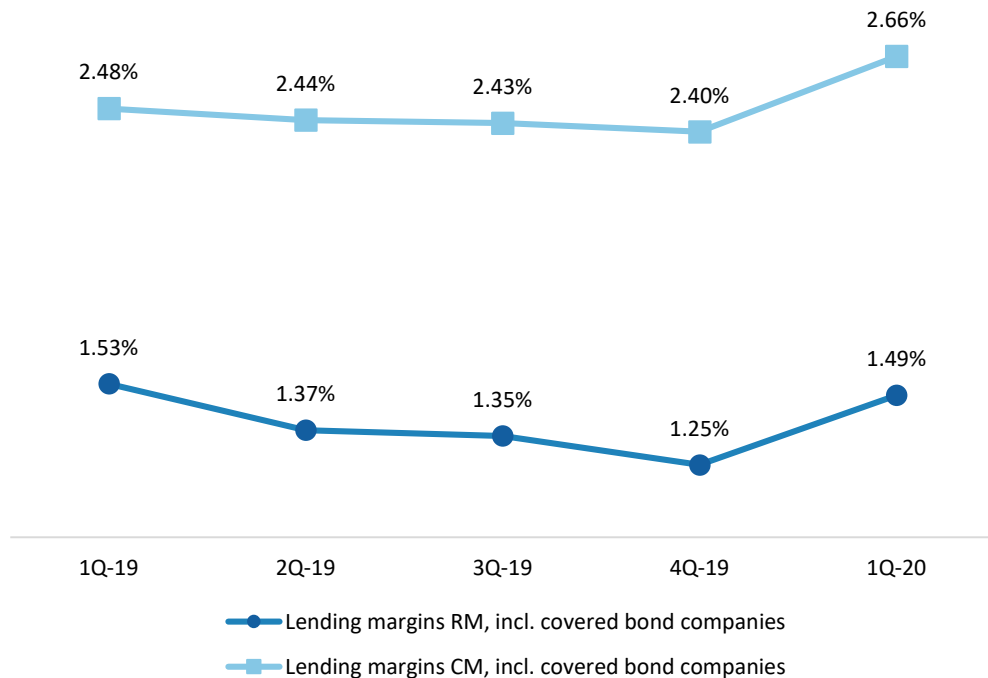
Lending volume (Group, NOK billion)



- Total lending in the Group, including mortgages transferred to covered bond companies, increased by NOK 3.2 billion in 1Q-20.
- This is equivalent to a 2.1 % lending growth in the quarter.
- Lending growth last 12 months was 9.0 % (6.5 %)
 - Retail lending growth was 7.7 %
 - Corporate lending growth was 12.9 %
- Credit growth in Norway last 12 months
 - Households 4.7 %
 - Non-financial corporations 4.0 %

Increased lending margins

Retail and corporate divisions (parent bank)



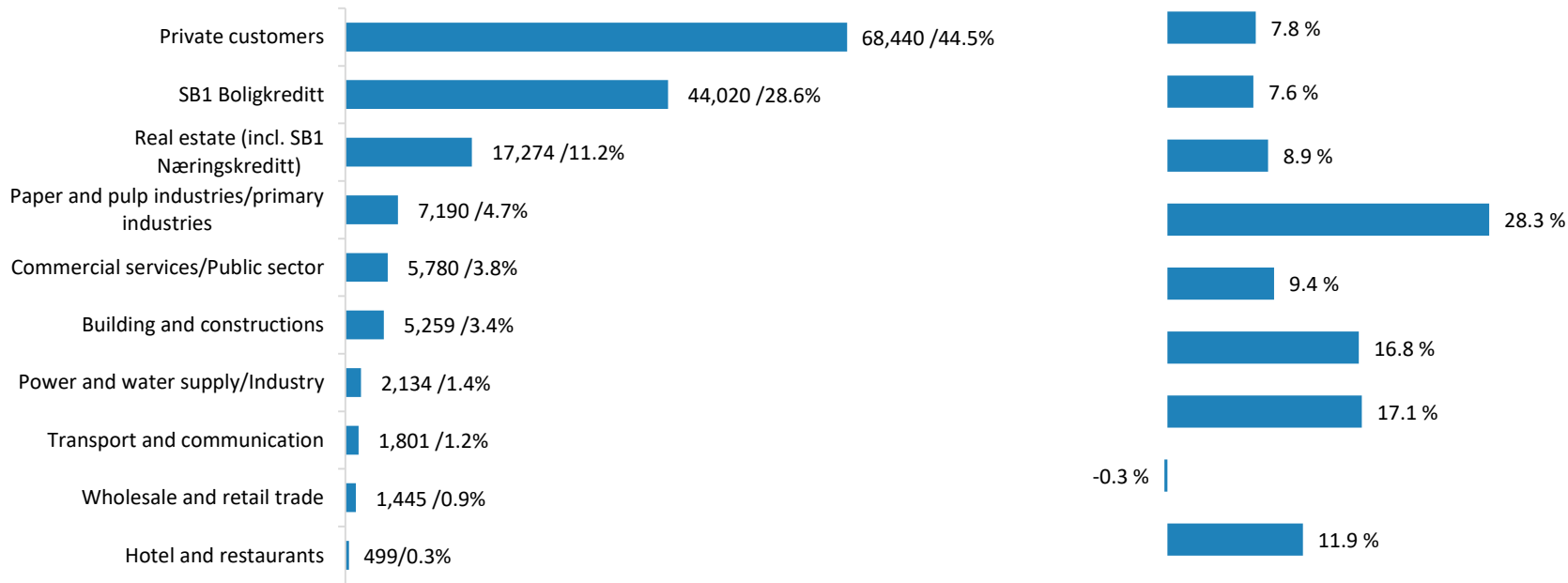
- Lending margins in the parent bank - both within the CM and the RM – increased in 1Q-2020.
- Average 3M Nibor was 1.66 % in 1Q-20 – a reduction of 18 bps from 4Q-2019.
- Due to the coronavirus pandemic lending rates were reduced with swift execution. The interest rates were mainly reduced by 0.85 %-points effective 6 April for retail customers.

Low direct Covid-19 exposure in the lending portfolio due to governmental fiscal policy measures

Lending to customers per sector (NOK million and %)

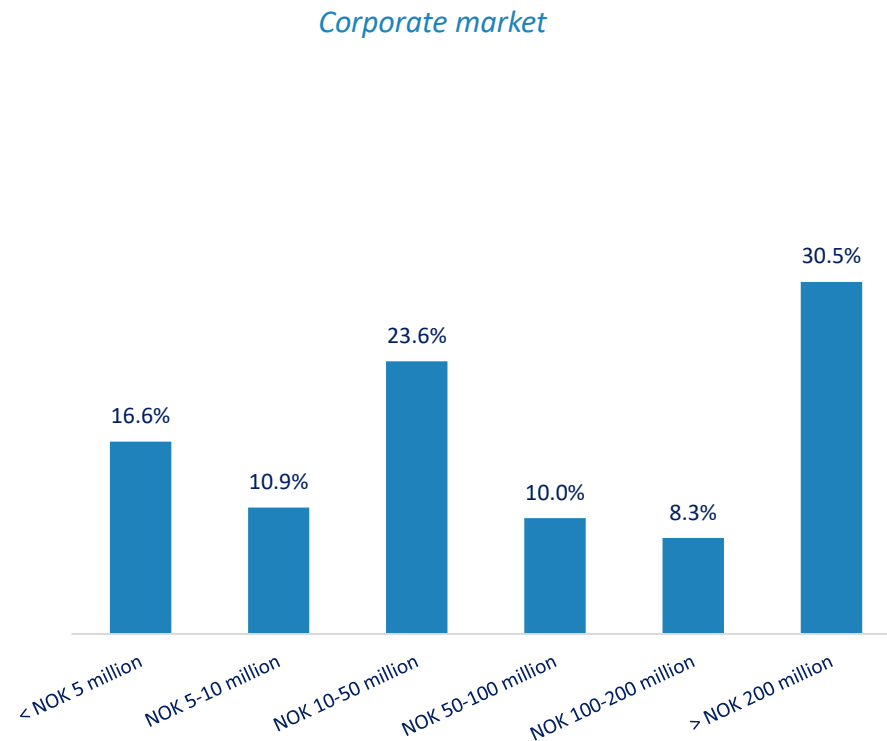
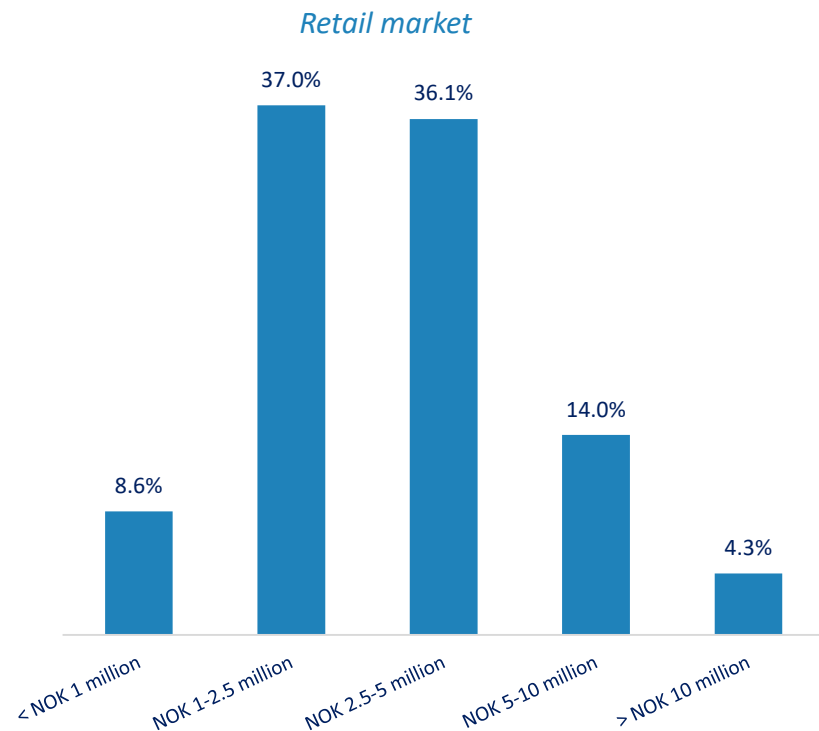
*Lending to customers per sector (volume/share in %)**

Change last 12 months



Size concentration risk in the lending book is low

Retail and corporate loans by size (% share)*

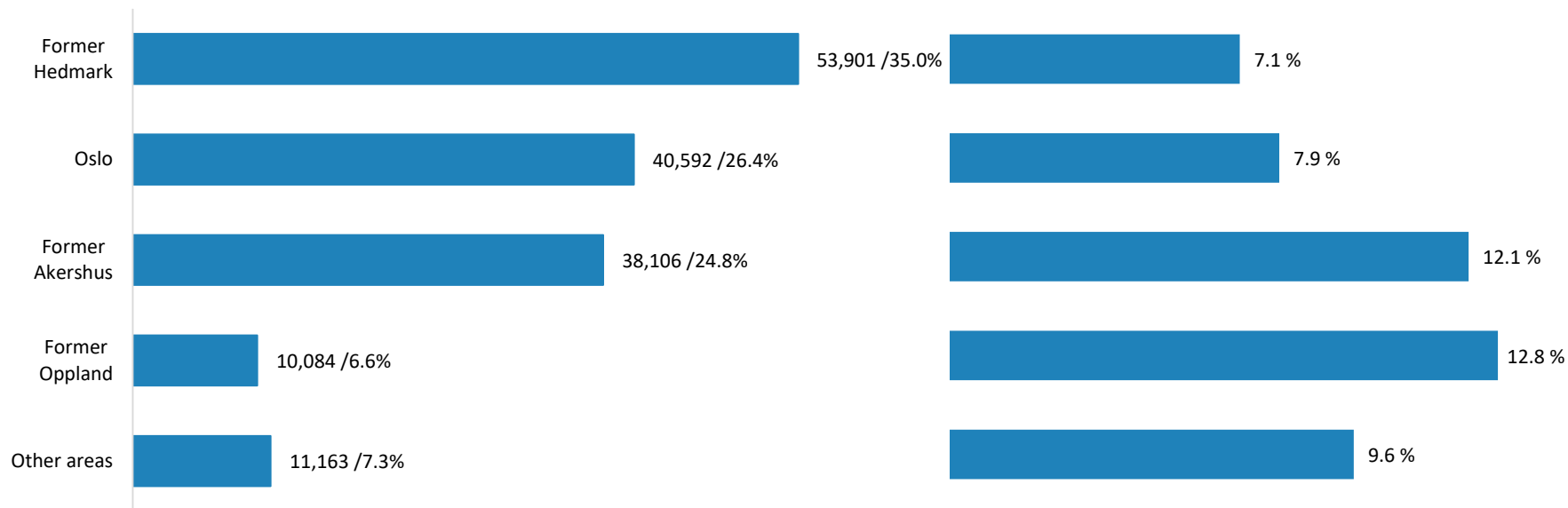


The Bank's lending growth is geographically diverse within the market area

Lending to customers per geographic area and change last 12 months (NOK million and %)

*Lending to customers per county (volume/share in %)**

Change last 12 months

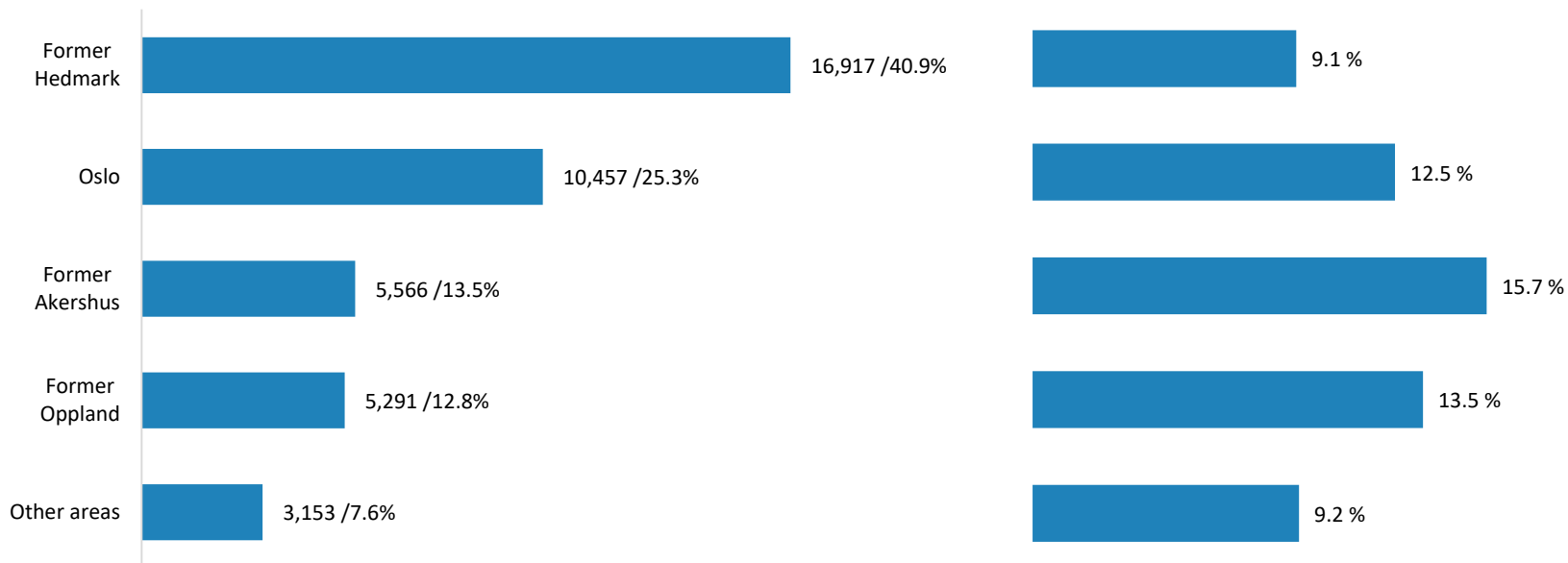


The corporate lending growth is highest in the area surrounding Oslo

Lending to corporate customers per geographic area and change last 12 months (NOK million and %)

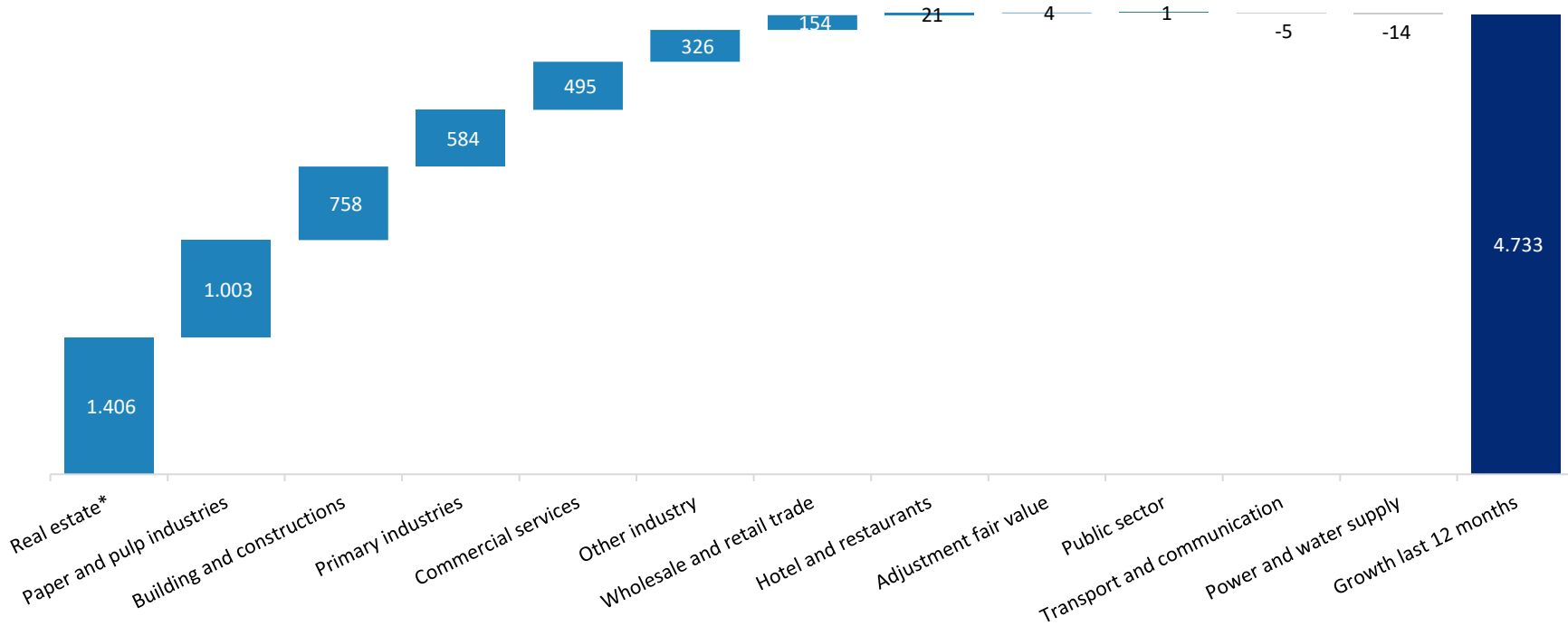
Lending to retail customers by county (volume/share in %) CM

Change last 12 months



Corporate lending growth is spread among different sectors

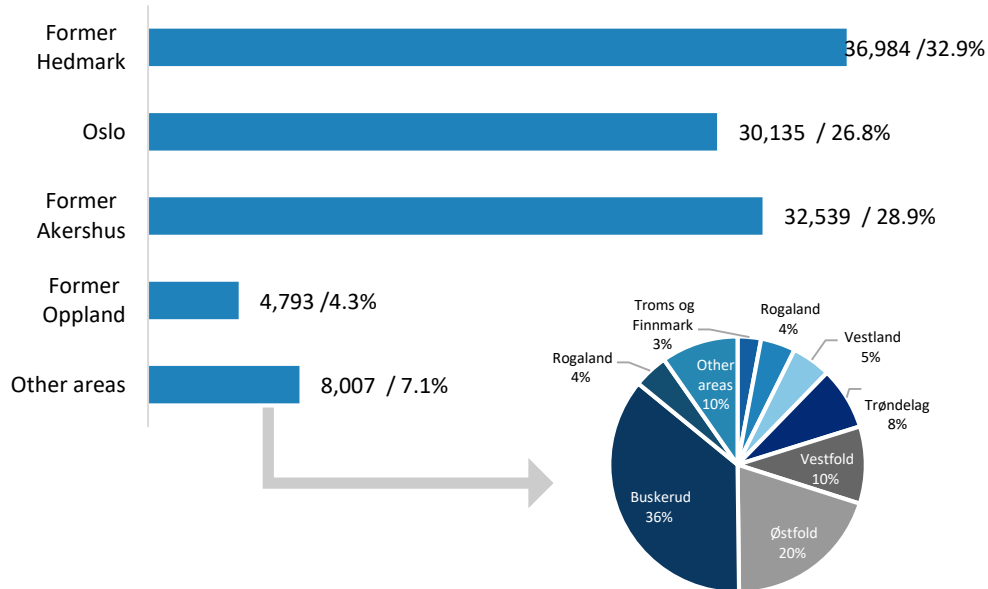
Corporate lending growth YoY – sector (NOK million)



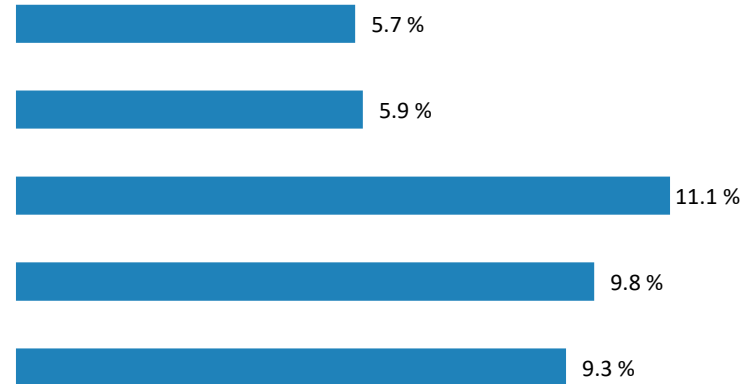
Retail lending growth is highest in the area surrounding Oslo

Lending to customers per geographic area and change last 12 months (NOK million and %) – Retail market

*Lending to retail customers by county(volume/share in %)**

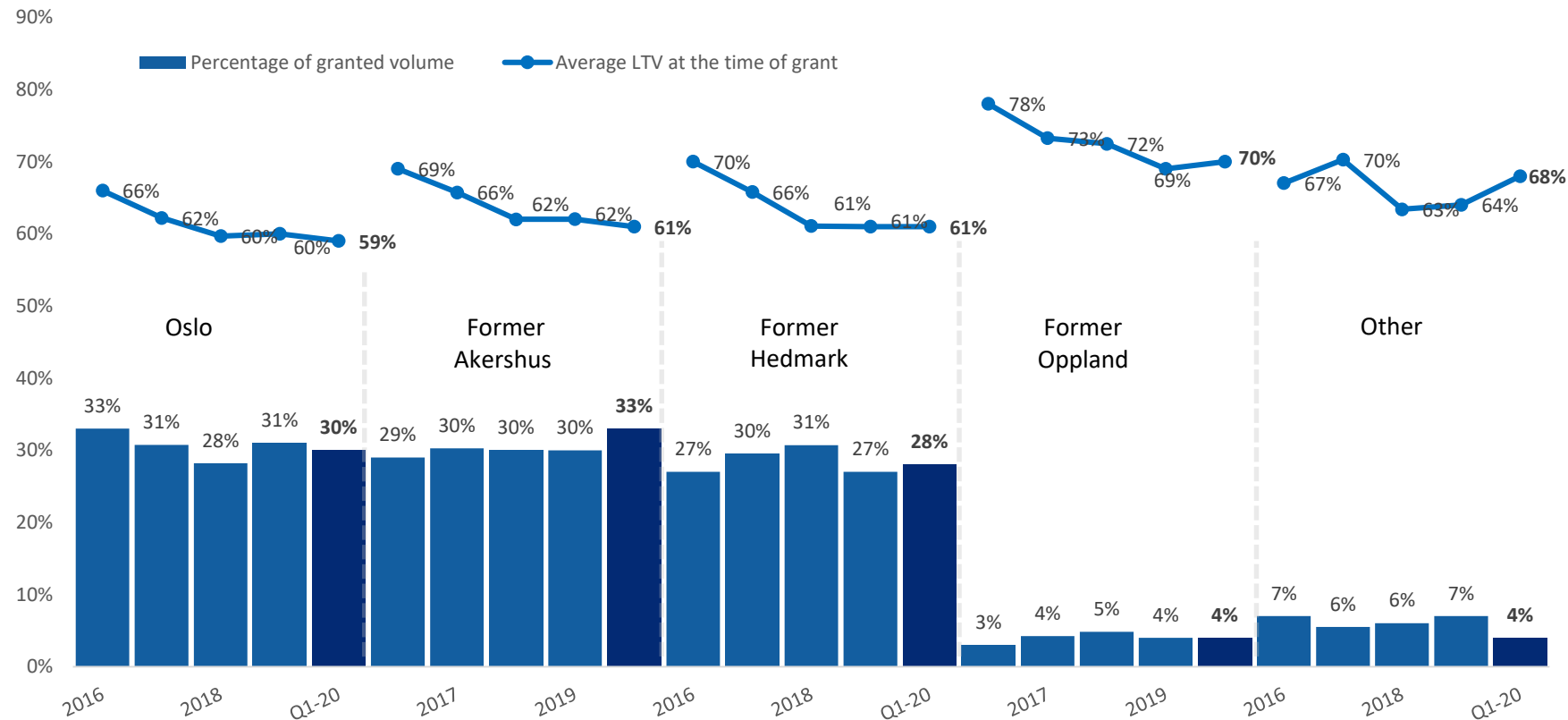


Change last 12 months



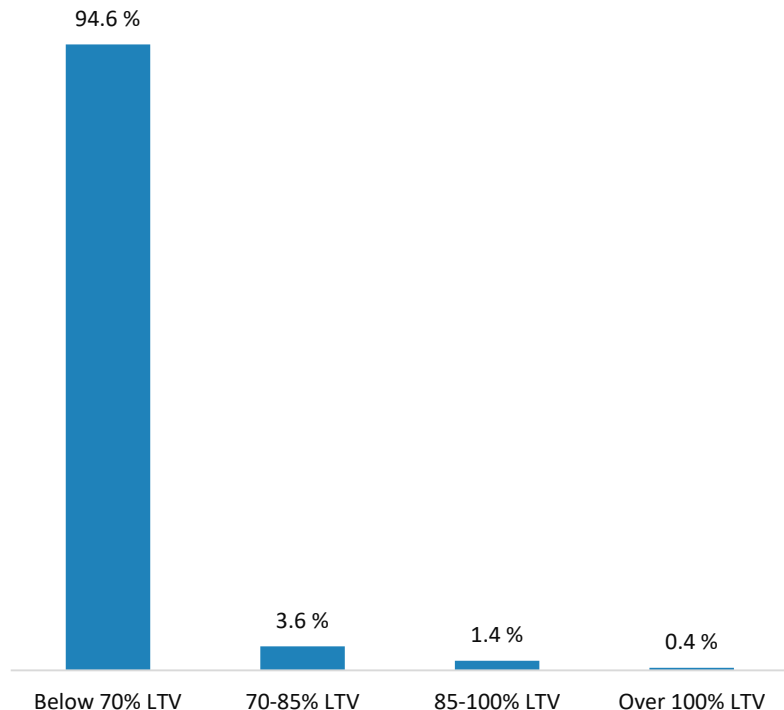
High quality credit processes lead to low and stable LTV

Percentage of granted mortgages and average LTV per period and county



Temporary changes in the Mortgage Regulation due to Covid-19 with effect from 2Q-20¹⁾

Exposure per LTV bucket in the residential mortgage portfolio



Mortgages - Utilisation of flexibility quota in 1Q-20¹⁾

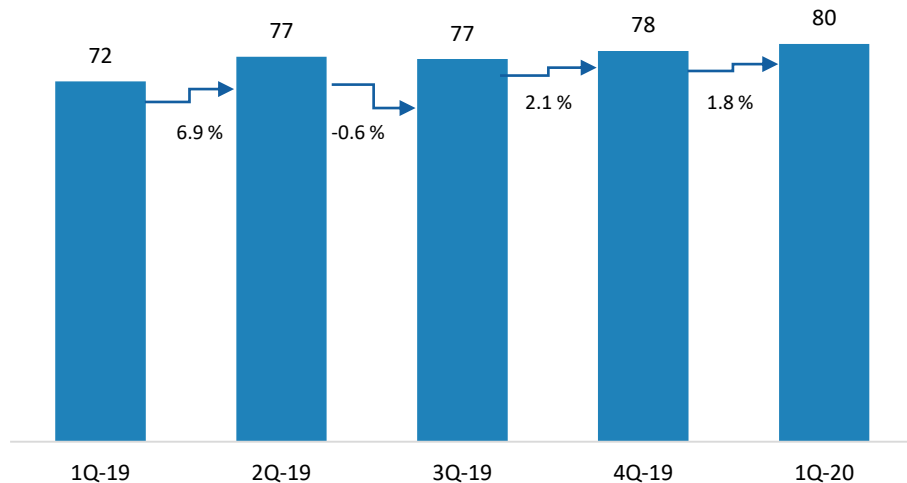
City of Oslo
7.2 % (8 % quota)

Other areas
8.2 % (10 % quota)

- The mortgage regulation* constrains housing mortgage lending through defined requirements:
 - Debt servicing capacity
 - Stress test of 5 % mortgage rate increase
 - Maximum loan to value
 - 85 % LTV on new lending
 - (A stricter 75 % LTV legal requirement in the SB1 Boligkreditt cover pool)
 - Gearing
 - Total debt must not exceed five times gross annual income
 - Requirement of installment payment
- Exceptions are permitted within 10 % (8 % for Oslo) of the total granted volume each quarter
 - The so called “Flexibility quota”

Deposit coverage ratio in line with targets

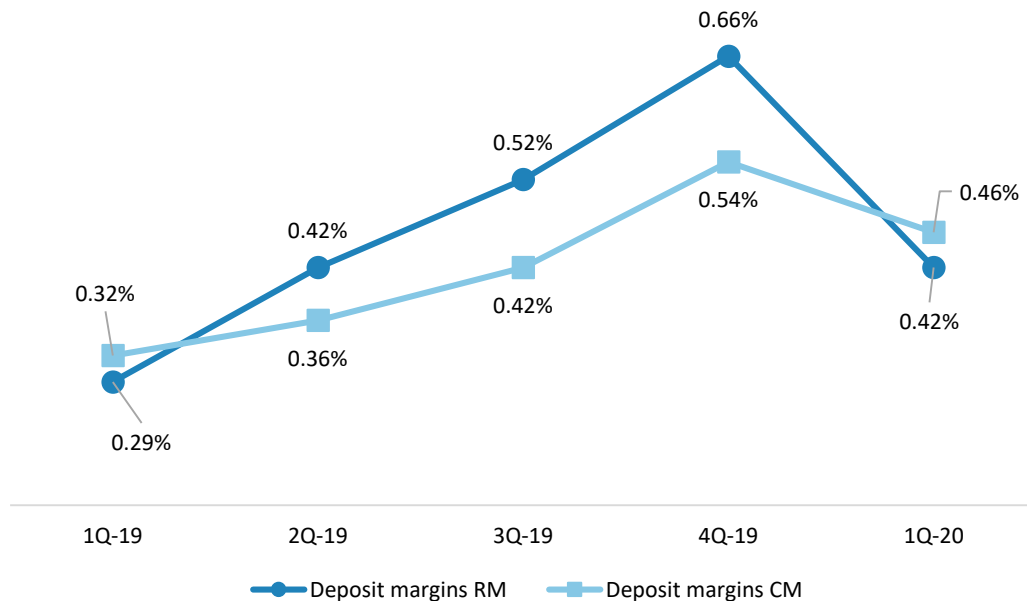
Deposit volume and deposit growth (Group – NOK billion)



- Deposits growth of 1.8 % (2.1 % in 4Q-19).
- Deposit growth last 12 months: 10.4 % (9.5 %).
 - Retail deposit growth + 9.4 %.
 - Corporate deposit growth + 11.7 %.
- Deposit coverage ratio 73.4 % (73.3 %).
- Deposit coverage ratio - including mortgages transferred to the covered bond companies 51.9 % (51.3 %).

Reduced deposit margins last quarter

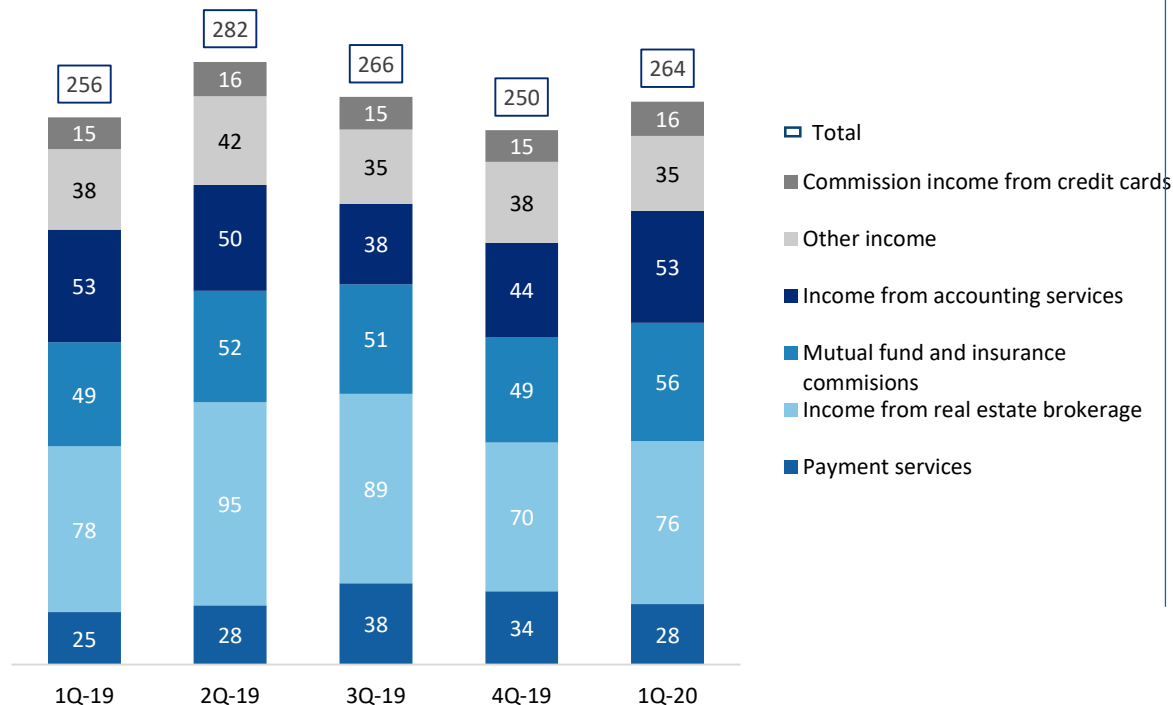
Retail and corporate divisions (parent bank)



- Reduced deposit margins in the parent bank both within RM and CM.
- Average 3M Nibor was 1.66 % for 1Q-20. A reduction of 18 bps from 4Q-19.
- Customers are given notice of deposit rate reductions from 10 April for corporate customers and 27 May for retail customers
 - The interest rate on savings accounts will mainly be reduced with 0.80 bps.
 - The rate reductions on checking and operating account will be mainly 0.10 bps.

Increased commissions from mutual funds and life insurance

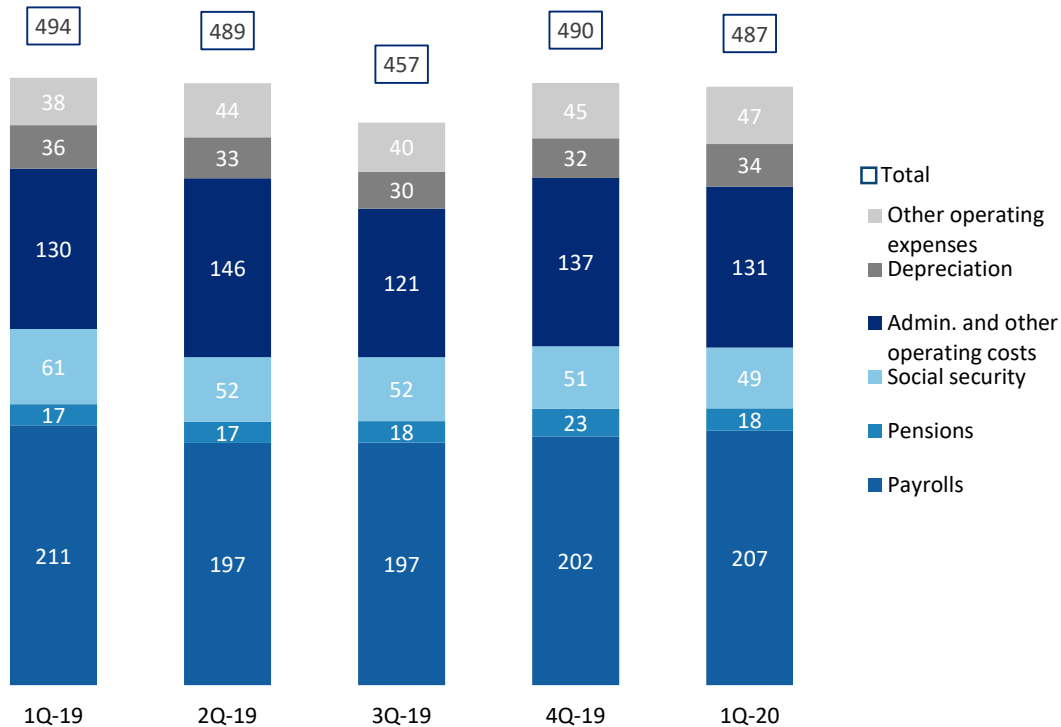
Net commissions and other income (NOK million)



- Increase in net commissions and other income compared to last quarter and corresponding quarter last year.

Lower operating costs at group level

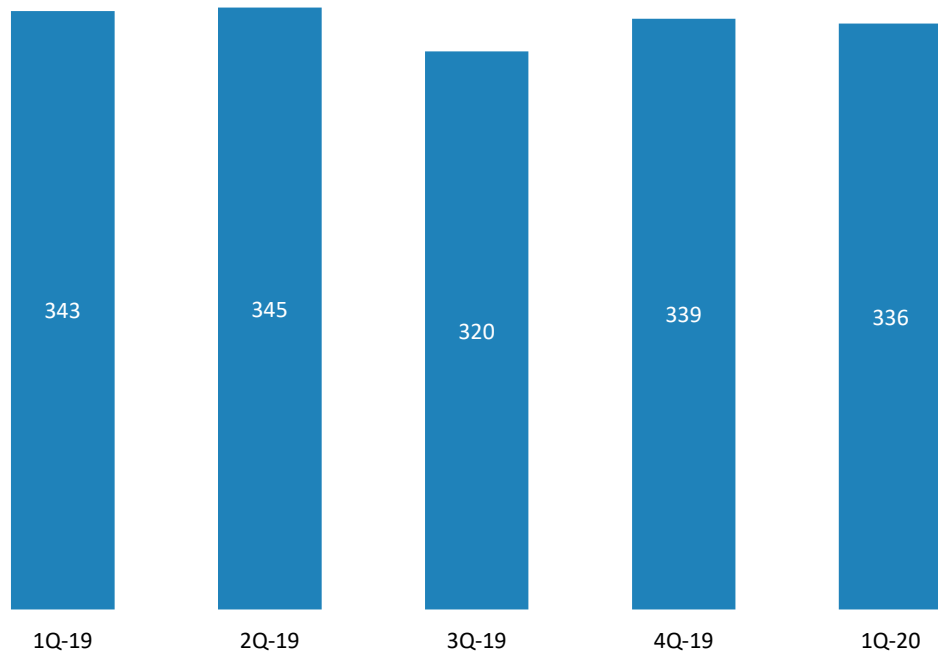
Operating costs per quarter (NOK million)



- Lower operating costs compared to 4Q-2019.
- The operating costs in 1Q-20 lowered by 1.5% compared with same period last year.

Lower operating cost growth in the parent Bank

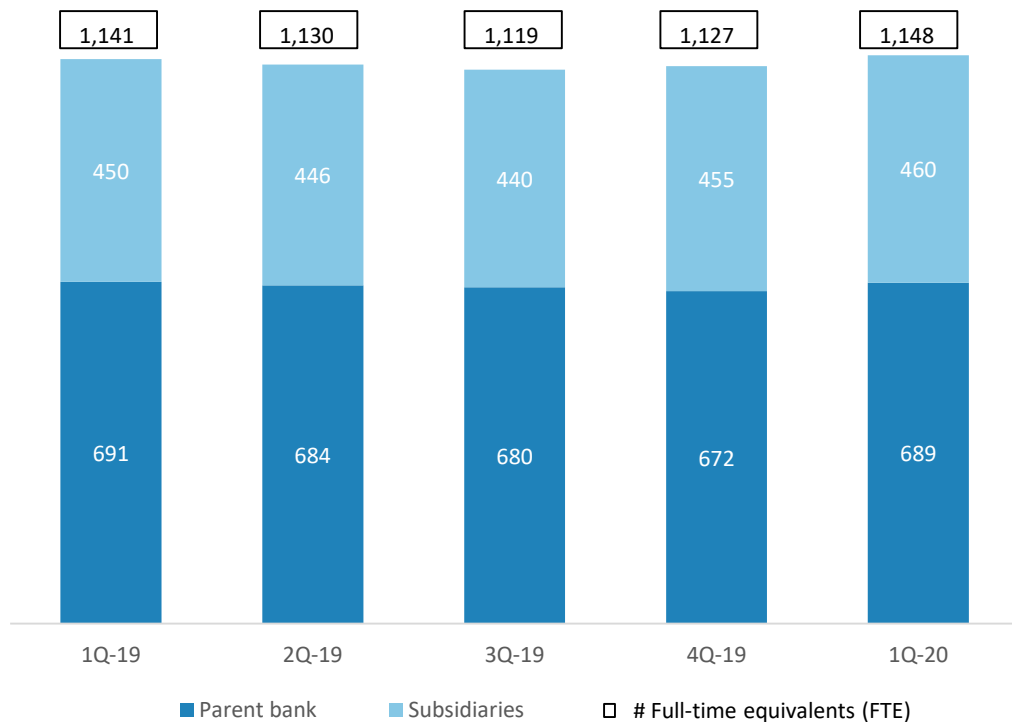
Operating costs per quarter (NOK million)



- The operating costs in the parent bank was NOK 7 million lower in 1Q-20 than for the corresponding period last year.
- This is equivalent with a reduction of 2.1 % from last year.

Increased headcount in 1Q-2020

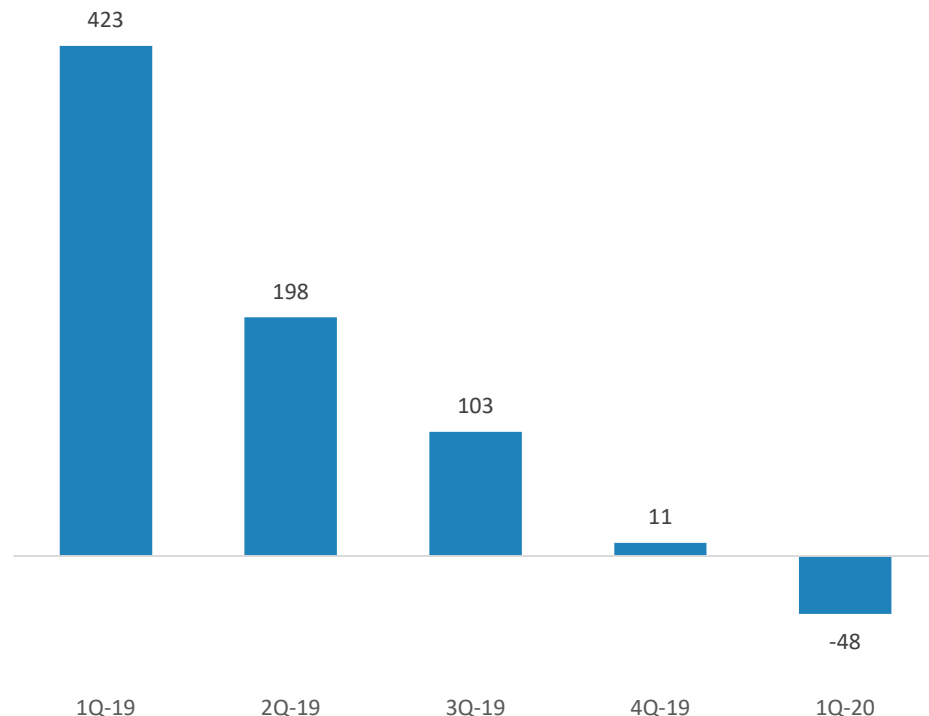
Headcount (FTE)



- Increased headcount at group level of 8 FTEs last 12 months.
- A net increase of 10 FTEs in subsidiaries line with growth ambitions.
- Reduction of 2 FTE in parent bank last 12 months, but increased last quarter due to strengthening of customer and KYC related operations.

Negative contribution from financial items in 1Q 2020

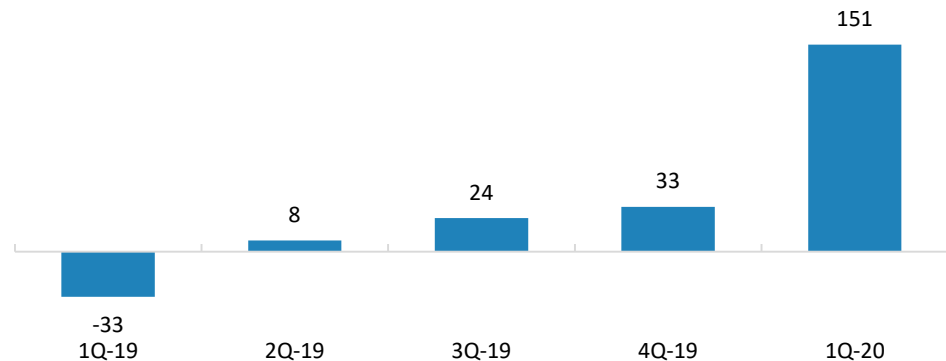
Net income from financial assets and liabilities (NOK millions)



- **Net income from financial assets and liabilities was NOK - 48 million.**
- Dividends from other than Group companies was NOK 12 million (Totens Sparebank).
- Net profit from ownership interests amounted to NOK 115 million.
 - Contribution from associated companies and joint ventures are specified in previous slides.
 - Contribution from SB 1 Gruppen was NOK 144 million inclusive extraordinary effects from the Framtind transaction.
 - SB1 Boligkreditt contributed with NOK -33 million.
- Net income from other financial assets and liabilities was NOK -175 million.
 - Mainly explained by MTM valuation effects on fixed income securities in the liquidity portfolio incl. hedging, equity instruments and fixed-rate loans for customers incl. hedging.

Covid-19 measures and assumed consequences drive loss provisions

Impairments on loans and guarantees (NOK million)

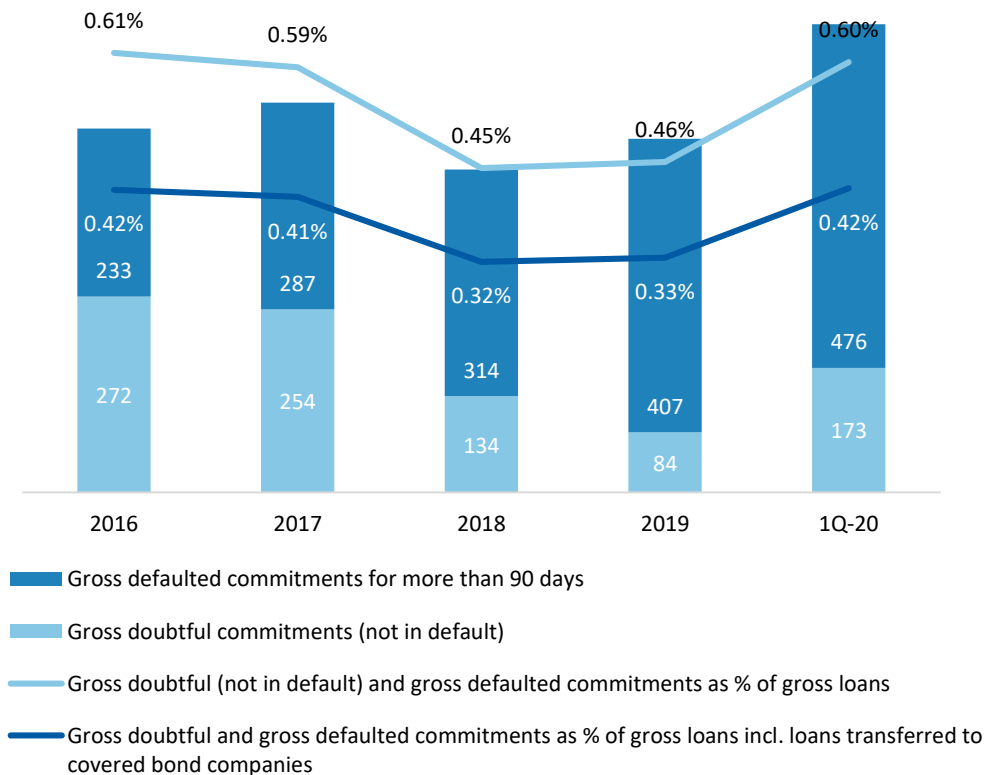


Specification of total losses on loans and guarantees	Total	RM	CM	SB1FØ
Loans and guarantees in stage 3K	10	-3	10	2
Change in model-based loss provisions	98	16	66	16
Post model adjustments	40	0	35	5
Realized losses	18	3	3	11
Recoveries on previously impaired	-13	1	0	-13
Total impairment losses in 1Q-20	151	16	114	21

- Impairments on loans and guarantees in 1Q-20 were NOK 151 million.
 - Parent bank NOK 130 million
 - SB1 Finans Østlandet NOK 21 million
- Model based provisions related to Covid-19 are to NOK 142 million
 - Change in model-based loss provisions increase with NOK 98 million due to increased weighting in the downside scenario and increased PD estimates in the base scenario.
 - A post model adjustment (PMA) was also made for estimated, not observed, migration from Stage 1 to Stage 2 equivalent to NOK 40 million.
- Last year's numbers were colored by a reduction in the loss provisions following validation of the loss model showing that the earlier LGD estimates were significantly higher than realized loss rates.

Increased proportion of problem loans – but still at low levels

Non-performing and other doubtful commitments (NOK million and %)



- The proportion of problem loans increased in 1Q-20.
- The proportion of problem loans are back at 2016/2017 levels – after a couple of years with extraordinary low levels.
- The levels must still be characterised low as of 1Q-20, and are expected to rise.

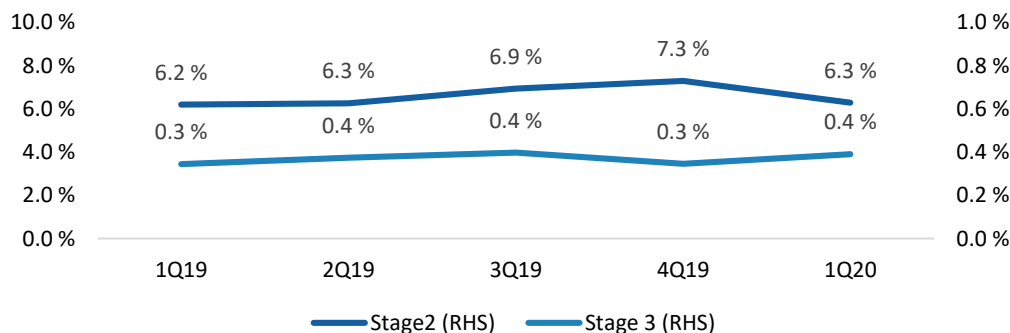
Continued low impairments and net exposure in stages 2 and 3

Specification of impairments and net exposure (NOK million)

Impairments per segment - quarterly

	1Q-20	4Q-19	3Q-19	2Q-19	1Q-19
Personal customers	16.0	8.8	1.2	-0.2	-8.6
Corporate customers	114.5	9.0	11.8	2.8	-36.0
SB 1 Finans Østlandet	20.9	15.0	11.4	5.4	11.6
Total	151.4	32.8	24.5	8.1	-32.9

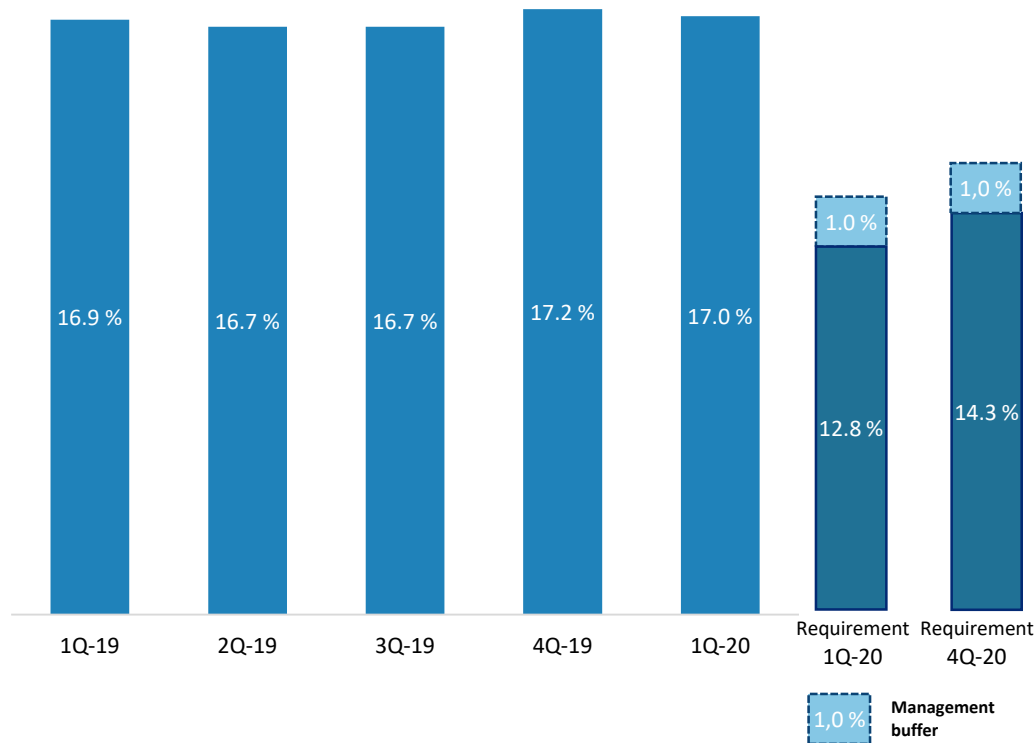
Maximum exposure net of accumulated impairments (on and off-balance sheet items)



- Gross loans and receivables defined as Stage 3 amounted to NOK 518 (427) million.
- This is equivalent to 0.5 % (0.4 %) of gross loans.
- Provisions for Stage 3 exposures at NOK 101 (88) million.

Stable CET 1 with significant buffer over regulatory requirement

Common Equity Tier 1 ratio (Group)



- The Group's long term CET 1-target is the regulatory requirement with an added management buffer of 100 bps.
 - March 13 the countercyclical buffer was reduced to 1 %. The regulatory requirement, incl. 1.8 percentage point Pillar 2 requirement, is currently 12.8 %.
 - The systemic risk buffer will be increased by 1.5 percentage points from 31 December 2020.
- The CET 1 ratio was 17.0 % by Q1-20.
 - A simplified audit has been completed for 1Q-20, and profit after assumed tax and dividend in line with the dividend policy is included.
- The leverage ratio was 7.0 %.

	31.03.2020
Market price (NOK)	75.00
Market capitalisation (NOK million)	8,687
Book equity per EC ¹⁾	91.82
Earnings per EC, NOK ²⁾	1.58
Price/Earnings per EC ³⁾	11.78
Price/book equity ⁴⁾	0.82

1) Group book equity without hybrid capital, minority interest and provision for gifts x ownership interest* / number of EC's

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

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

4) Market price in NOK*nu of EC's /book equity (parent bank) x equity capital certificate ratio*

5) Dividend adjusted return

*Equity capital certificate ratio as at 31.12.2019

- SPOL rate of return:
 - Return 1Q-20⁵ -13.7 %
 - Return YoY⁵ - 3.1 %
- The positive development in liquidity continues in 1Q-20.
 - Average daily transaction volume is 64,800 equity capital certificates
 - + 69 % compared to 2019.
 - Daily average turnover: NOK 5.8 million.

Contact details



Richard Heiberg
CEO
Tel.: +47 902 06 018
richard.heiberg@sb1ostlandet.no



Geir-Egil Bolstad
CFO
Tel.: +47 918 82 071
geir-egil.bolstad@sb1ostlandet.no



Runar Hauge
Investor relations
Tel.: +47 482 95 659
runar.hauge@sb1ostlandet.no

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- Important factors that may cause such a difference for SpareBank 1 Østlandet are, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels.
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