



Company presentation

Q4 2017

Including supplementary information

12 February 2018

Disclaimer

- This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance.
- Although SpareBank 1 Østlandet believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.
- 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.
- This presentation does not imply that SpareBank 1 Østlandet has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.



Introduction

A long and profitable history

Norway's fourth largest savings bank * with a broad, established 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 147 billion.

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

Head office in Hamar, 38 branches and 1,100 FTEs.

324,000 customers with a retail 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.

Acquired and merged Bank 1 Oslo Akershus ("B1OA") – represents an attractive footprint in the capital region.

Solid position and growth opportunities

Market leader in Hedmark, market challenger in other counties

Hedmark

Population	197,000
Market share* RM	49 %
Market share CM	45 %
Position	market leader
Unemployment	1.7 %

Oppland

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

Oslo

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

Akershus

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





Financial results

Financial results for the fourth quarter of 2017

(Last year's figures in brackets)

Profitable

Pre-tax profit in Q4-17 at NOK 422 million (NOK 294 million).
Pre-tax profit in 2017 at NOK 1,618 million (NOK 1,371 million).

Good return on equity

ROE in Q4-17 at 10.4 % (9.4 %).
ROE in 2017 at 10.2 % (10.5 %).

Solid capitalization

CET 1 ratio 16.8 % (16.9 %).
Leverage ratio at 7.1 % (7.4 %).

High lending growth

Lending growth of 8.4 % (incl. the covered bond companies) last 12 months (9.3 %).

Lower deposit growth

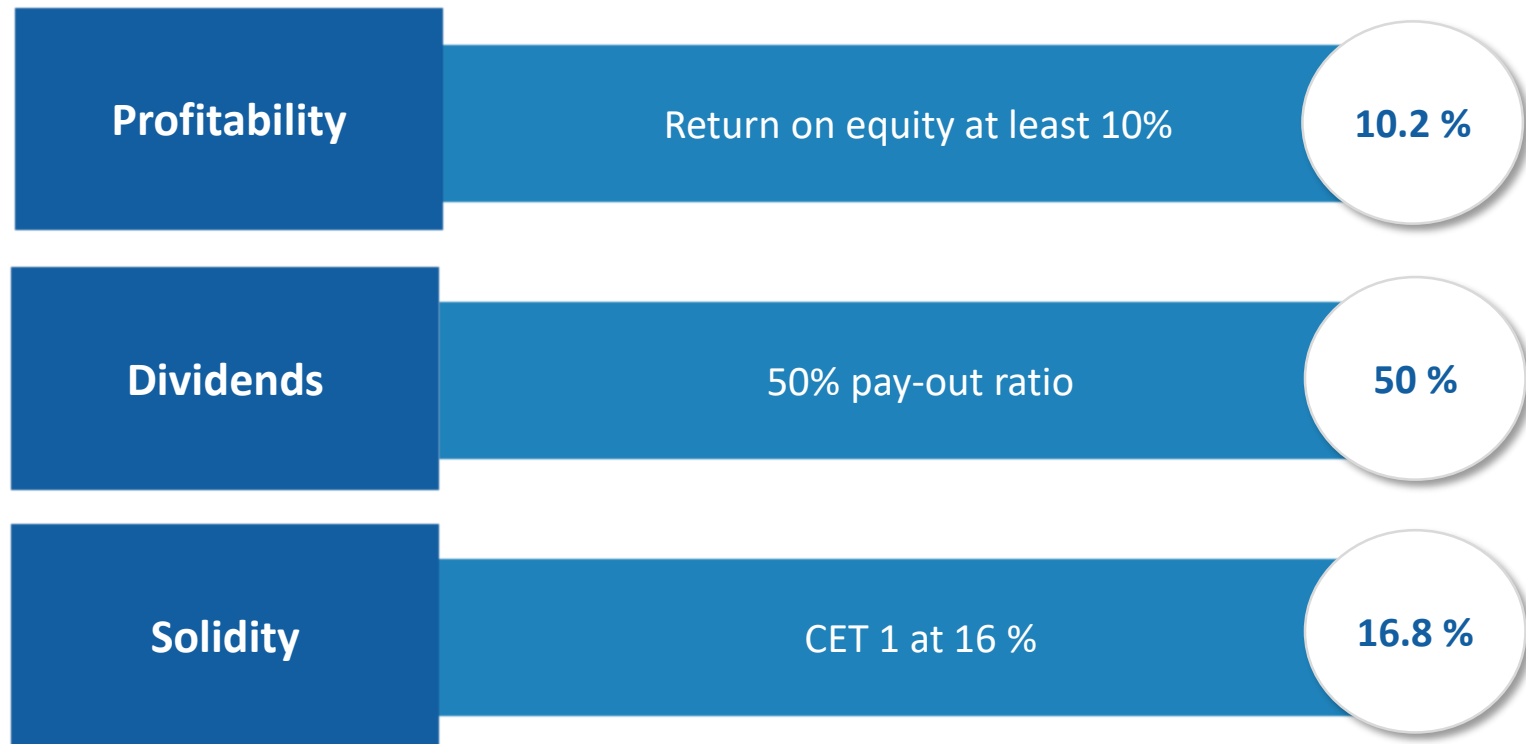
Deposit growth of 4.6 % in the last 12 months (10.7 %).

Net reversals on losses

Net reversals on losses of NOK 13 million in Q4-17, equivalent to -0.1 % of gross loans*.
Net reversals on losses of NOK 20 million in 2017, equivalent to -0.02 % of gross loans.

The Group is delivering on its financial targets

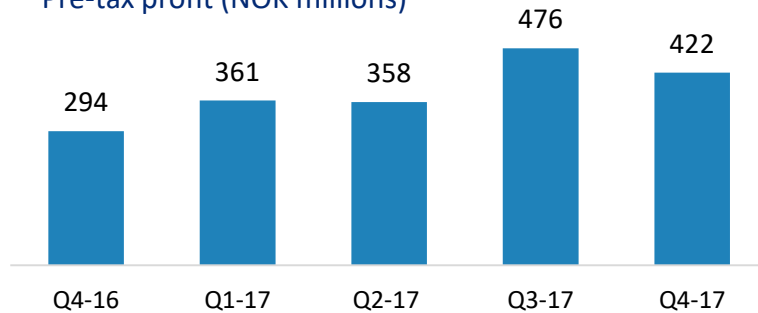
Targets and performance 2017



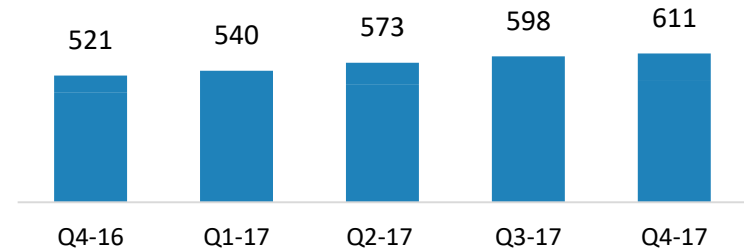
Key financials – quarterly

(1)

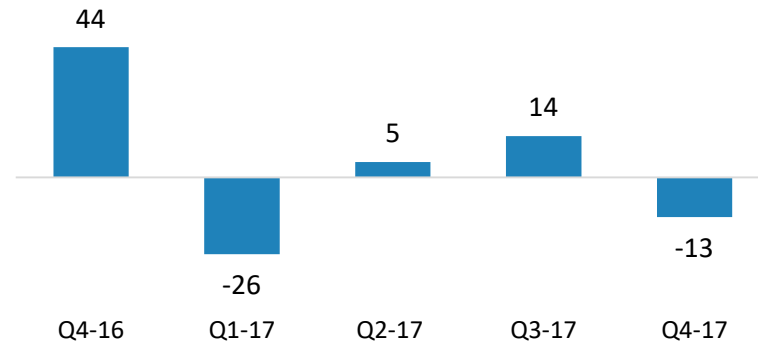
Pre-tax profit (NOK millions)



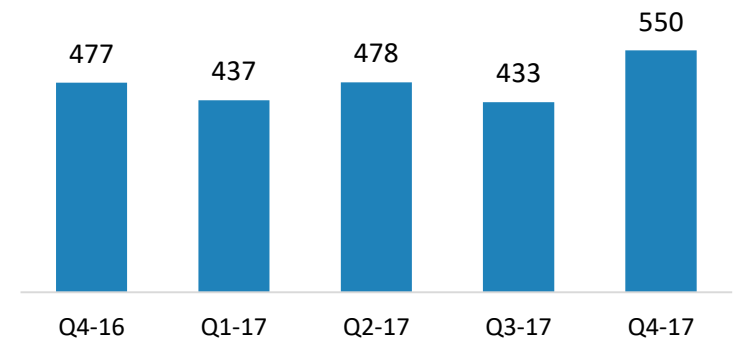
Net interest income and commission fees from the covered bond companies (NOK millions)



Losses on loans and guarantees (NOK millions)



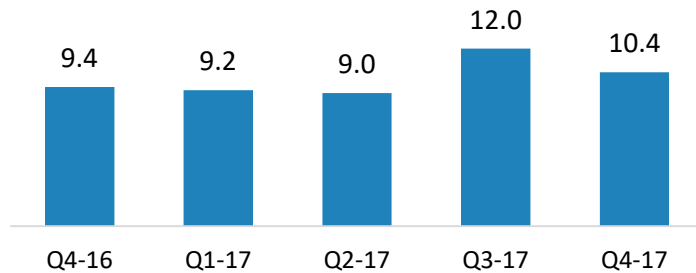
Total operating costs (NOK millions)



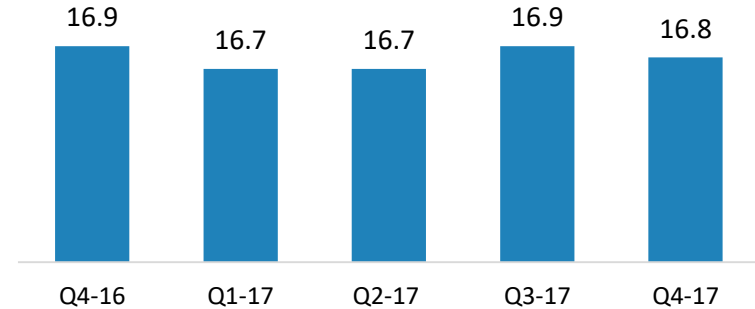
Key financials – quarterly

(2)

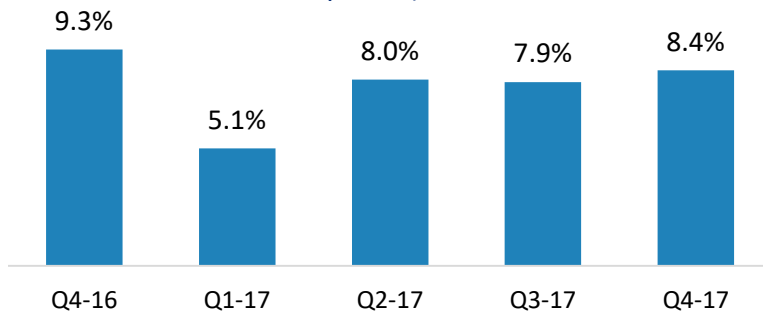
Return on equity (%)



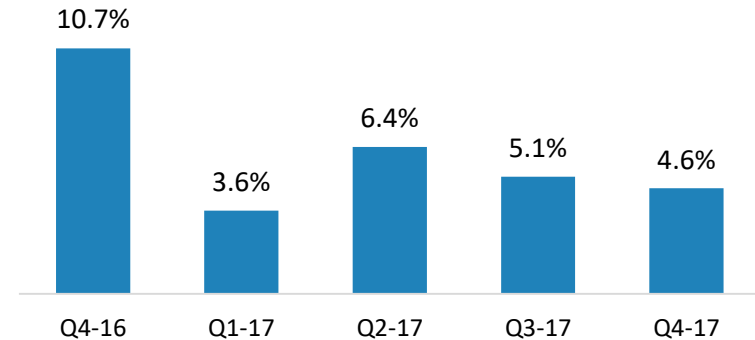
Core equity tier 1 capital ratio (%)



Lending growth 12 months (incl. covered bond companies)



Deposit growth 12 months



Income statement Q4-2017

Group

	Q4-2017	Q4-2016	2017	2016*
Net interest income	501	452	1,956	1,490
Net commissions	285	252	1,095	759
Other operating income	29	43	168	180
Total operating costs	550	477	1,898	1,203
Profit banking operations before losses	265	270	1,321	1,226
Net losses and write-downs	-13	43	-20	75
Profit banking operations after losses and write-downs	278	227	1,341	1,151
Dividends	0	0	11	46
Net result from ownership interests	77	49	194	236
Net result from financial assets and liabilities	67	17	72	-62
Profit before tax	422	294	1,618	1,371
Taxes	85	14	356	271
Profit after tax	337	281	1,263	1,100
Return on equity	10.4%	9.4%	10.2%	10.5%
Total operating costs in relation to total income	57.4%	58.6%	54.3%	45.4%
Loss on loans as a percentage of total commitments	-0.1%	0.2%	0.0%	0.1%

Income statement Q4-2017

Adjusted (pro forma) Group*

	4Q- 2017	4Q- 2016	Reported 2017	Adjusted 2016*
Net interest income	501	452	1,956	1,739
Net commissions	285	252	1,095	1,040
Other operating income	29	43	168	189
Total operating costs	550	477	1,898	1,573
Profit for banking operations before losses	265	270	1,321	1,395
Net losses and write-downs	-13	43	-20	86
Profit for banking operations after losses and write-downs	278	227	1,341	1,309
Dividends	0	0	11	77
Net result from ownership interests	77	49	194	199
Net result from financial assets and liabilities	67	17	72	-69
Profit before tax	422	294	1,618	1,516
Taxes	85	14	356	312
Profit after tax	337	281	1,263	1,204
Return on equity	10.4%	15.0%	10.2%	
Total operating costs in relation to total income	57.4%	26.6%	54.3%	
Loss on loans as a percentage of total commitments	-0.1%	0.0%	0.0%	

Profit contributions from subsidiaries

2017 (2016)



SpareBank 1 Finans Østlandet

- Profit before tax NOK 158 million (NOK 115 million)
- Good growth and increasing profitability



EiendomsMegler 1 Hedmark

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



EiendomsMegler 1 Oslo Akershus

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



SpareBank 1 Regnskaphuset

- Profit before tax NOK -3 million (NOK 2 million)
- Consolidation phase and strong focus on automation and robotisation

Contribution from joint ventures

2017 (2016)



SpareBank 1 Gruppen

- Profit before tax NOK 2,210 million (NOK 2,019 million)
- Ownership 12.4 %



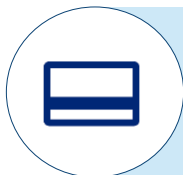
SpareBank 1 Boligkreditt AS

- Profit before tax NOK -238 million (NOK -146 million)
- Ownership 21.1 %



SpareBank 1 Næringskreditt

- Profit before tax NOK 79 million (NOK 112 million)
- Ownership 9.2 %

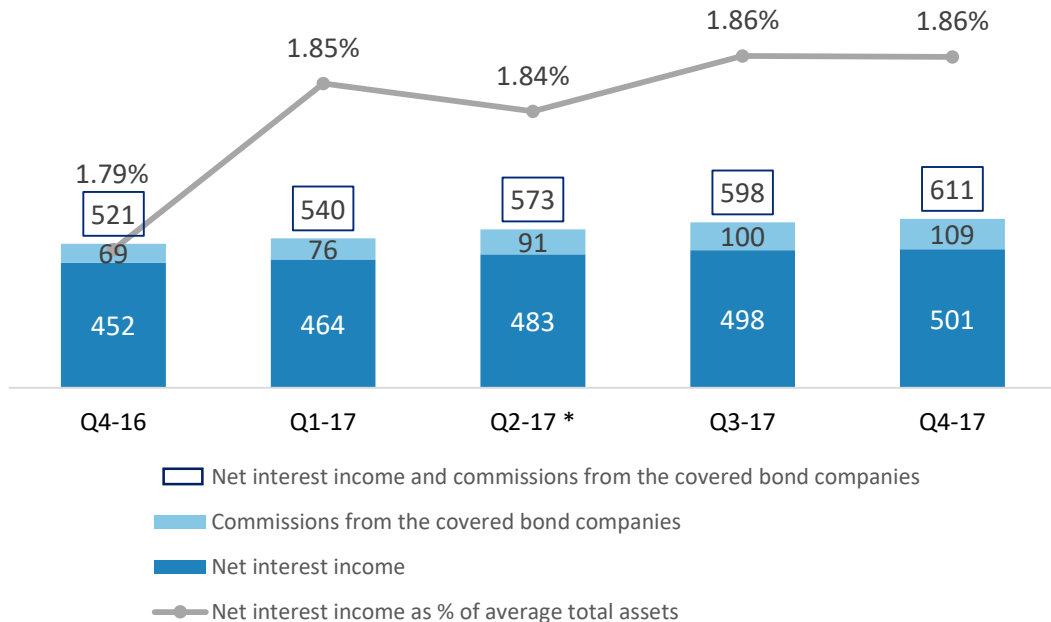


SpareBank 1 Kredittkort

- Profit before tax NOK 112 million (NOK 172 million)
- Ownership 19.6 %

Solid growth in net interest income

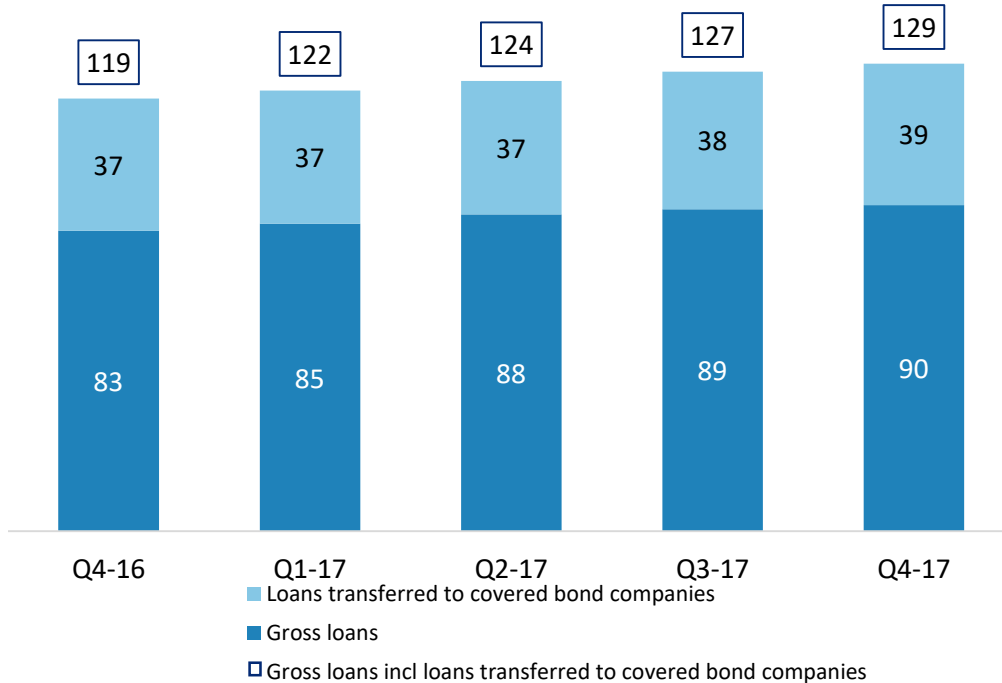
Net interest income incl. commissions from covered bond companies



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

Solid lending growth in 2017 as well

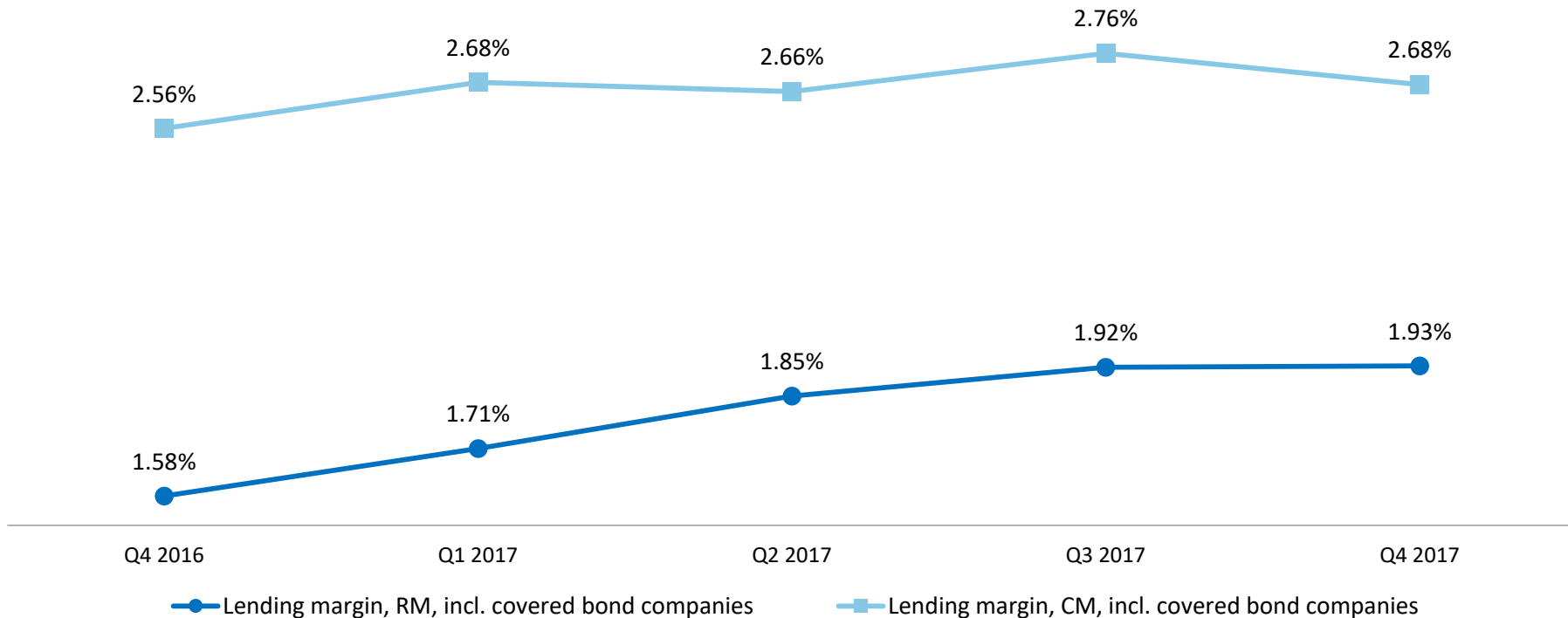
Lending volume, Group, incl. transferred to the covered bond companies (NOK billions)



- Lending growth in the Group in the last 12 months was 8.4 %
- Lending growth retail 8.7 %
- Lending growth corporates 7.7 %

Lending margins

Retail market and corporate market (parent bank)



Good utilisation of quotas in the mortgage regulation*

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

Utilisation of flexibility quota in the fourth quarter of 2017

City of Oslo

7.4 %

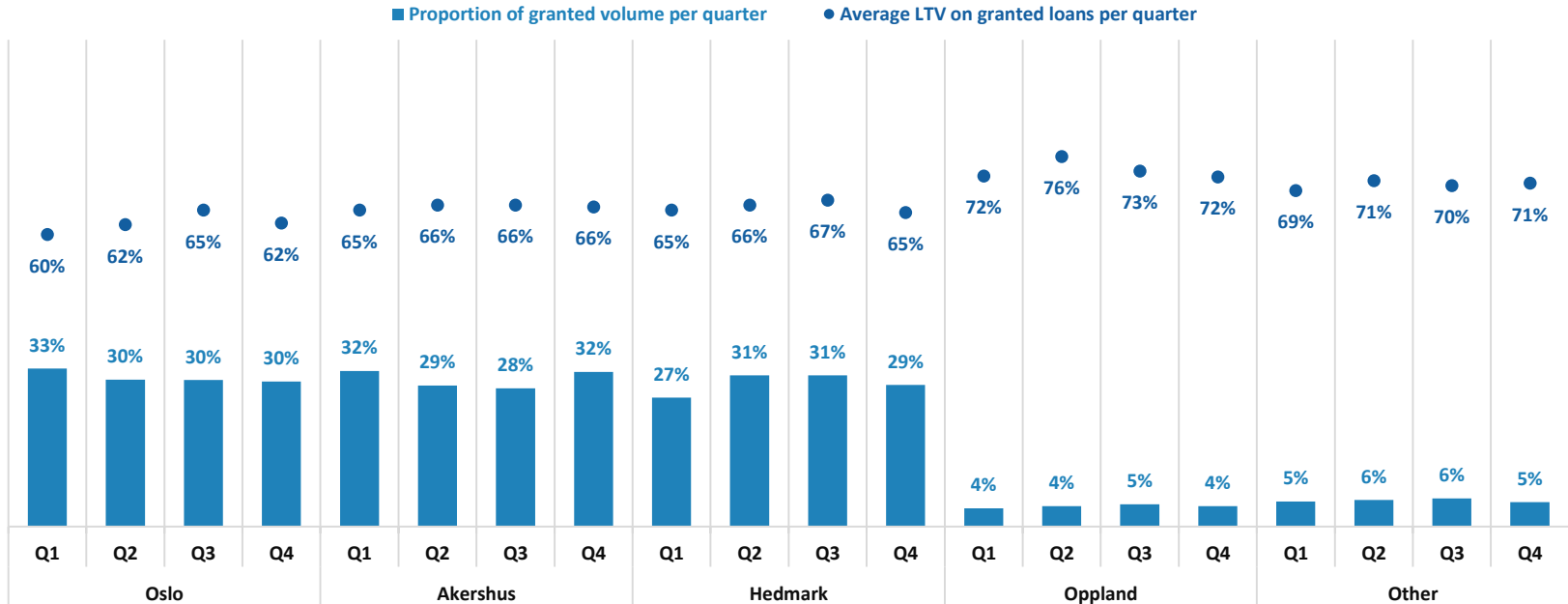
Other areas

4.2 %

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

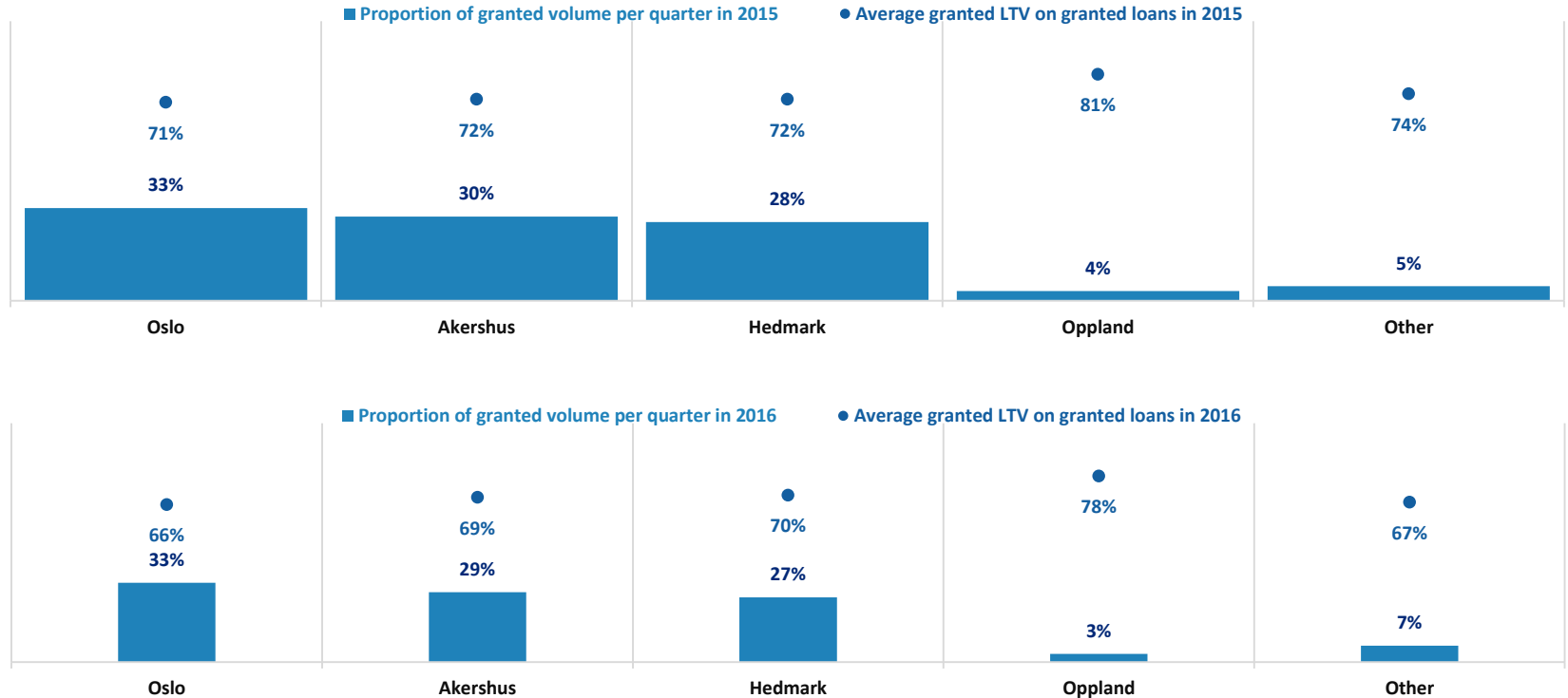
High quality credit process (1)

Percentage of granted mortgages per county and average LTV per quarter 2017



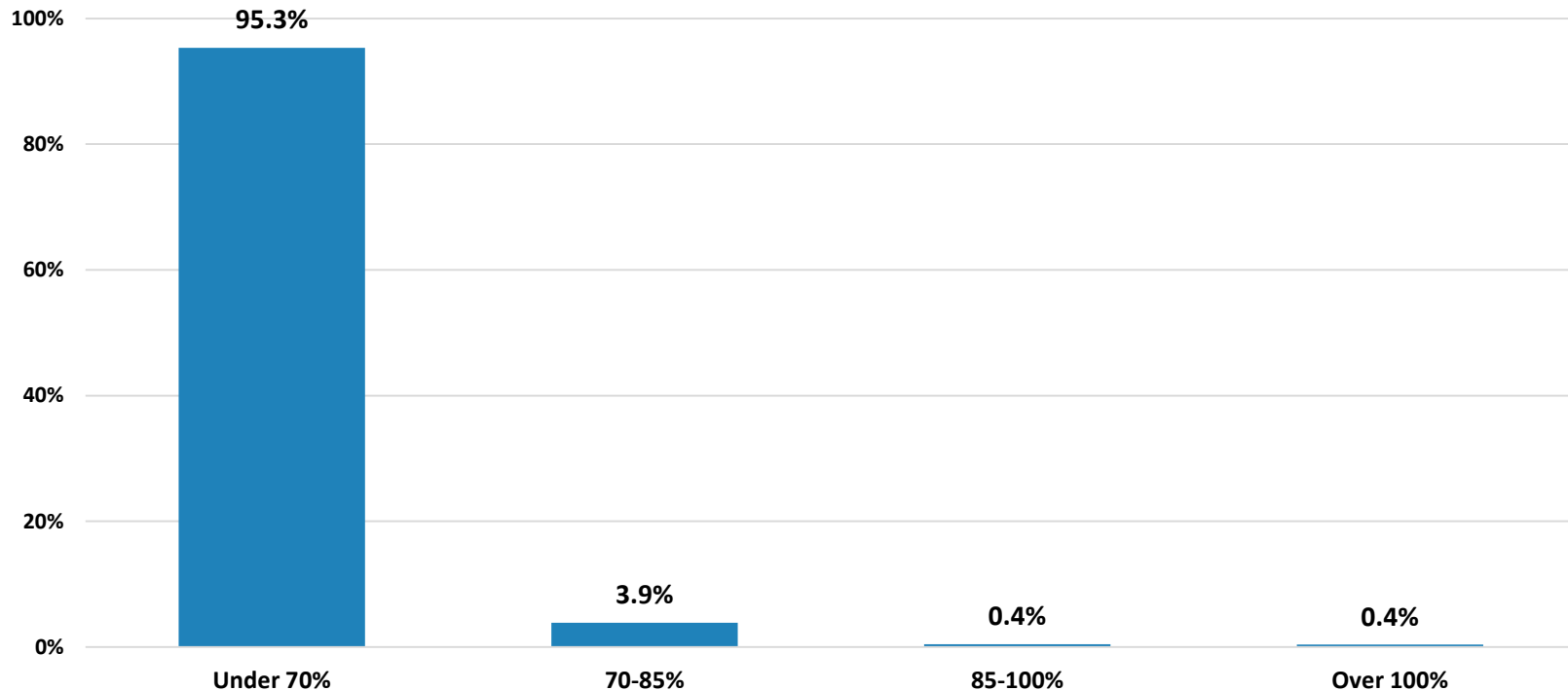
High quality credit process (2)

Percentage of granted mortgages and average LTV per county in 2015 and 2016



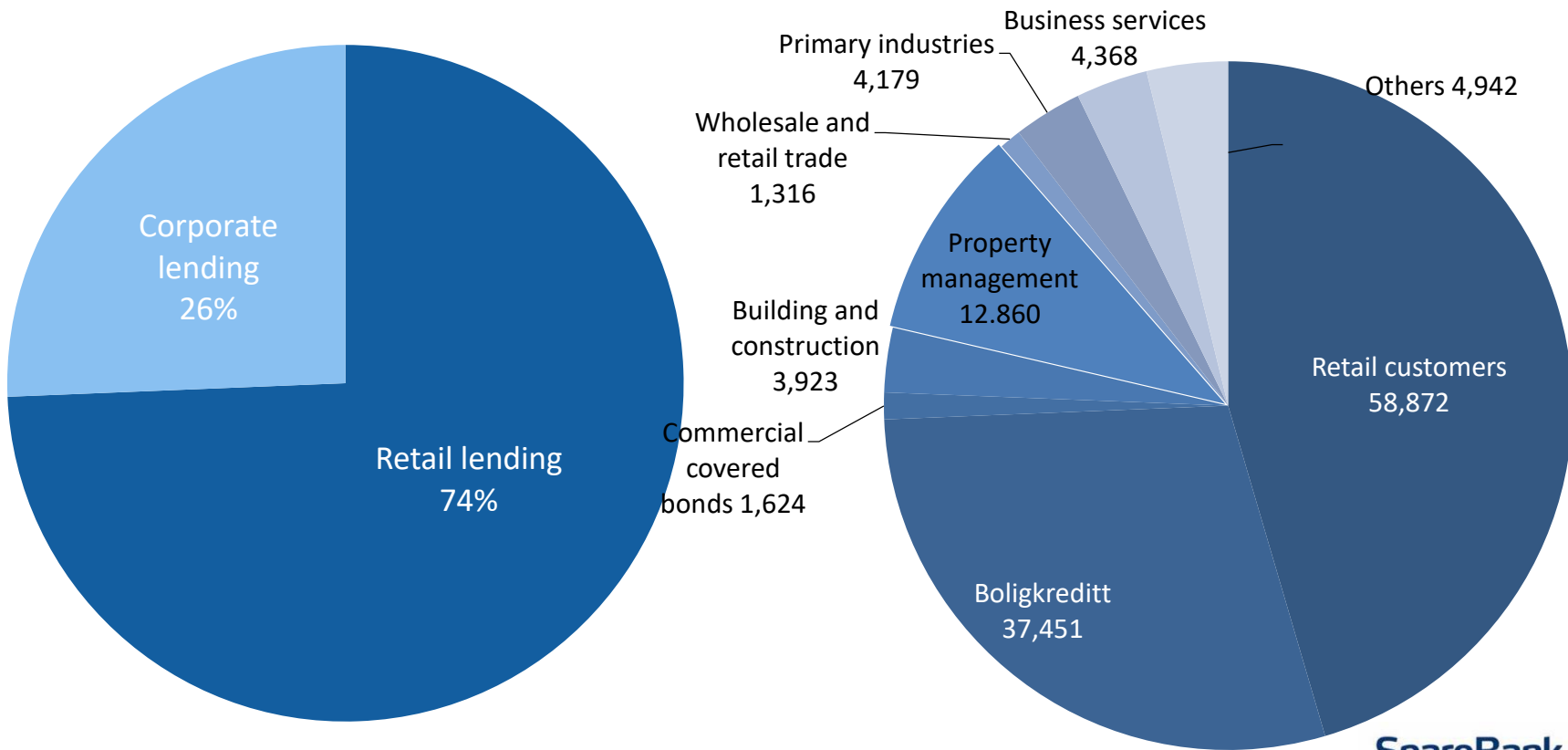
High quality retail portfolio

Loan to Value by exposure in the mortgage portfolio



Loan portfolio with a high proportion of retail market customers and SMEs

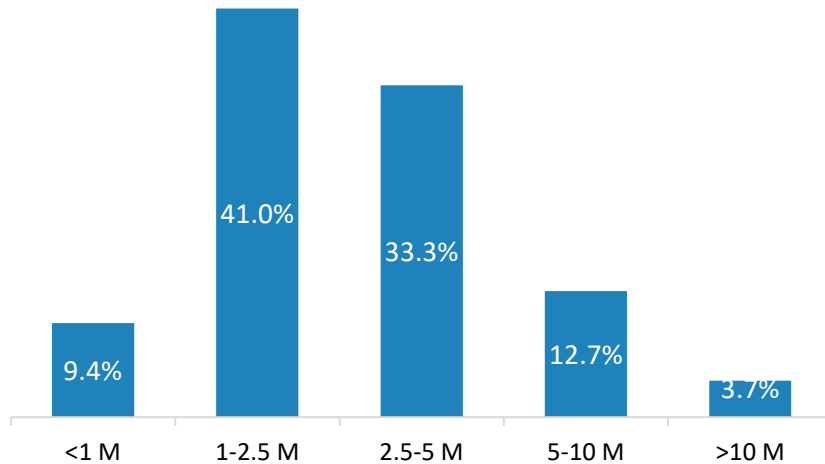
Lending to customers per sector (NOK millions)



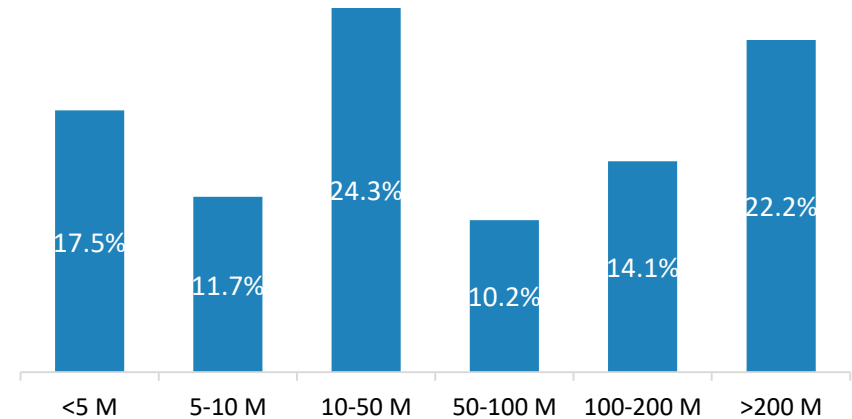
Diversified portfolio

Mortgages and corporate loans by size (% share)

Residential mortgages

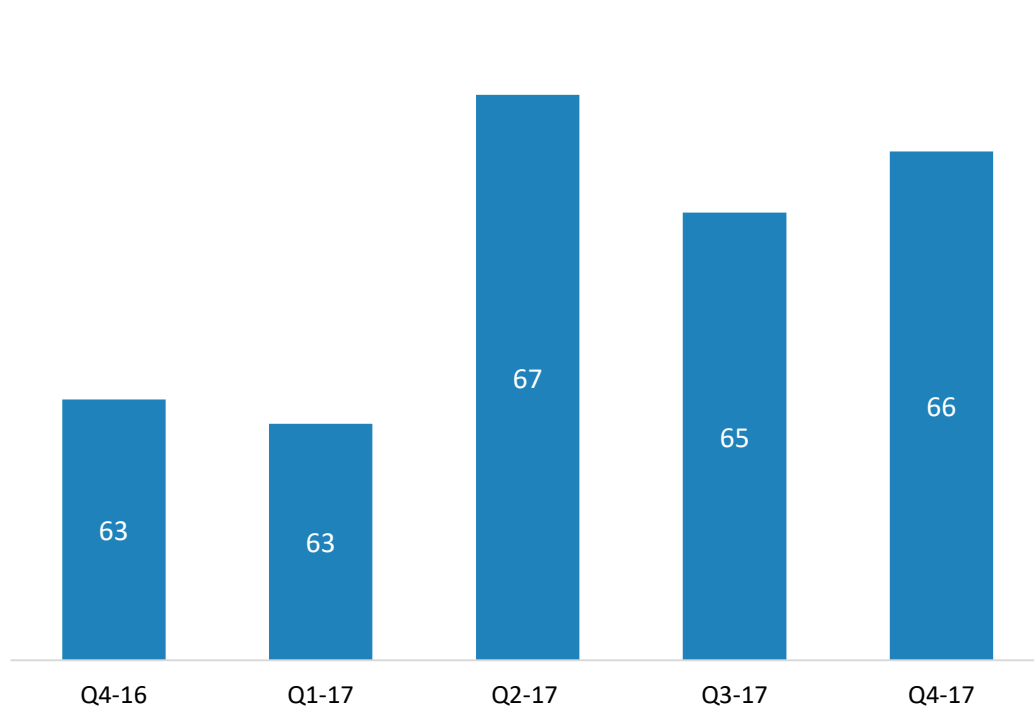


Corporate loans



Satisfactory deposit coverage

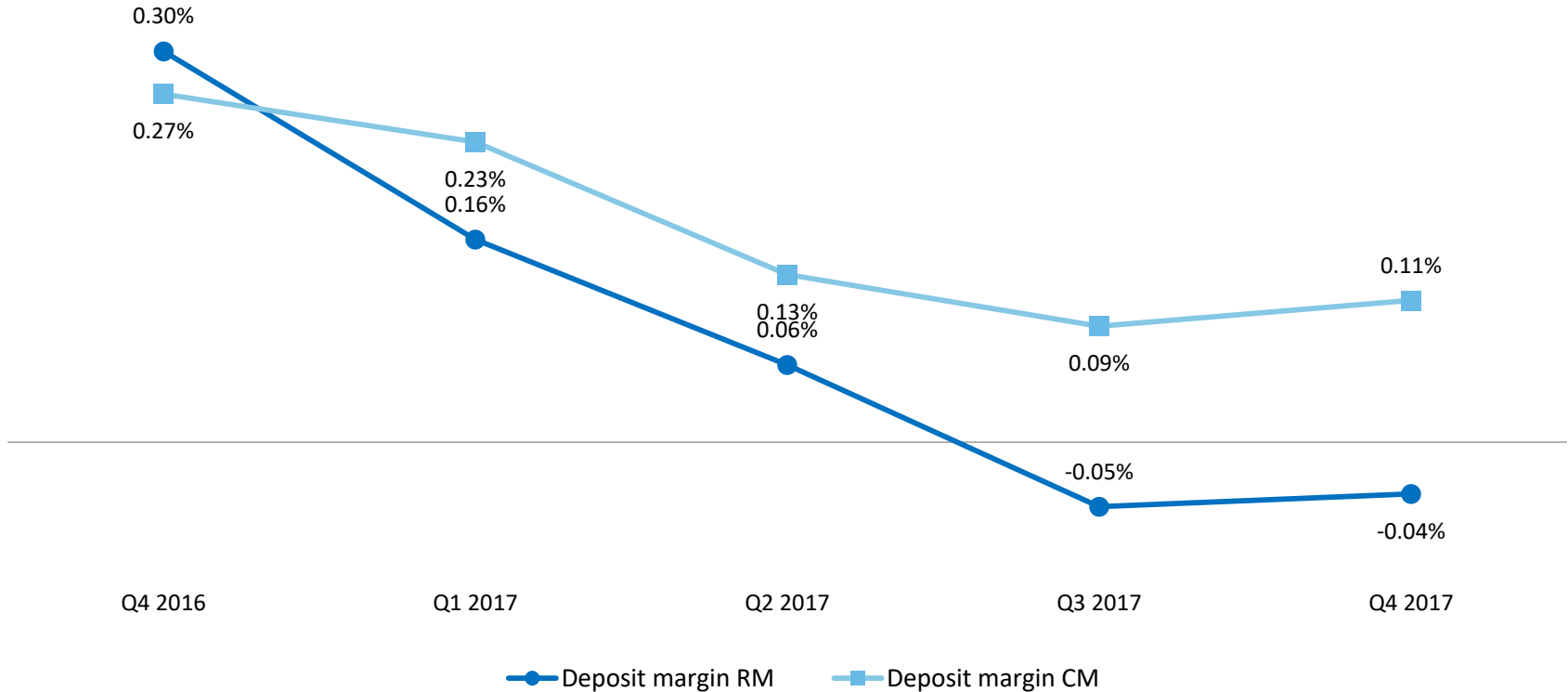
Deposit volume, Group (NOK billions)



- Deposit growth last 12 months 4.6 %
- Deposit growth - retail 0.6 %
- Deposit growth - corporates 10.9 %
- Deposit coverage ratio 72.9 %
- Deposit coverage ratio - including mortgages transferred to the covered bond companies - 50.9 %

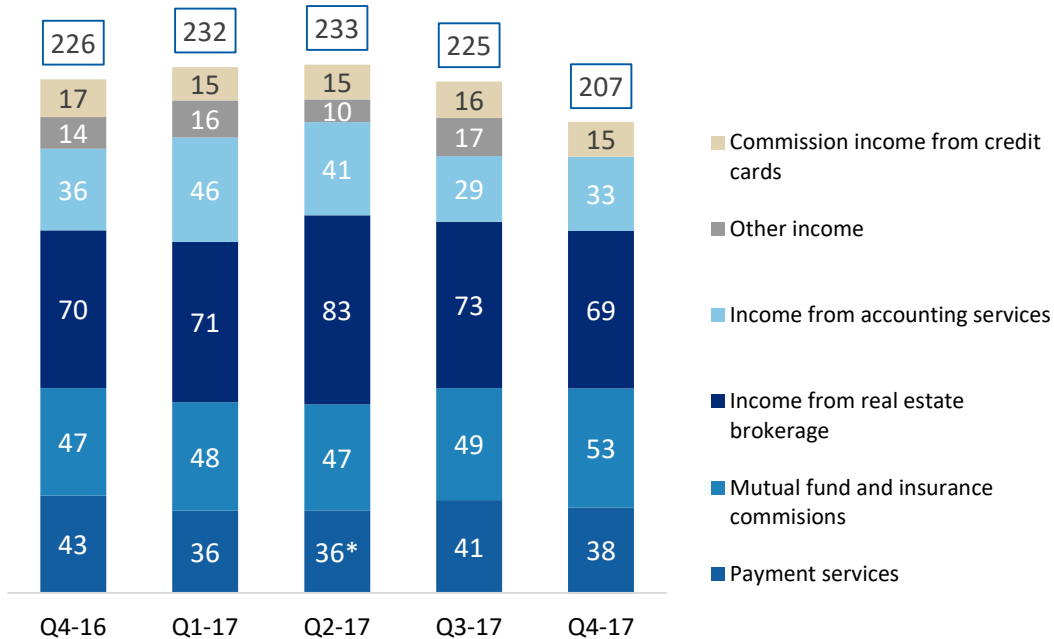
Deposit margins

Retail market and corporate market (parent bank)



Net commissions and other income

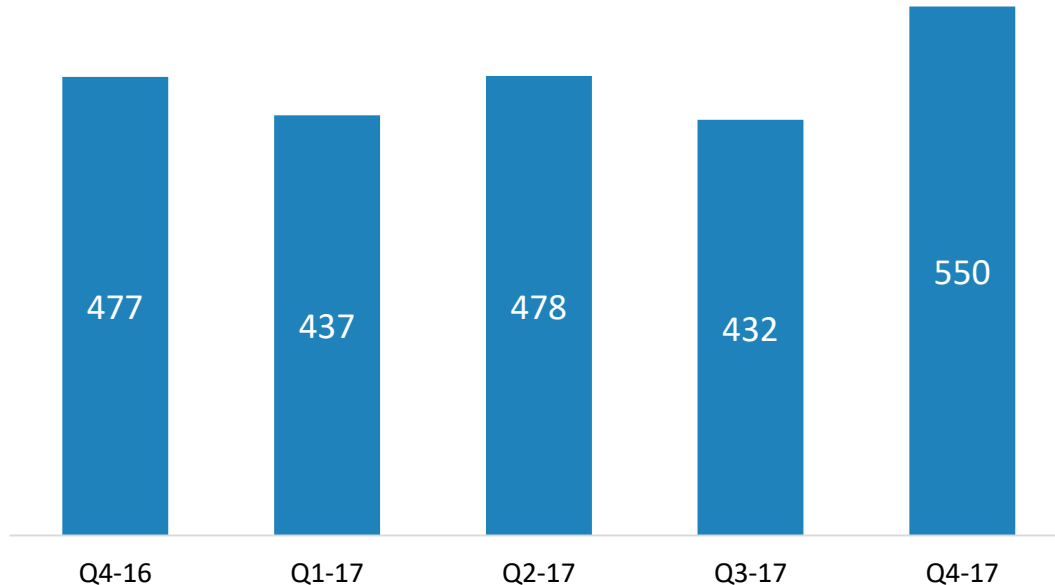
Commissions and other operating income by type (NOK millions)



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

Fourth quarter - marked by restructuring costs

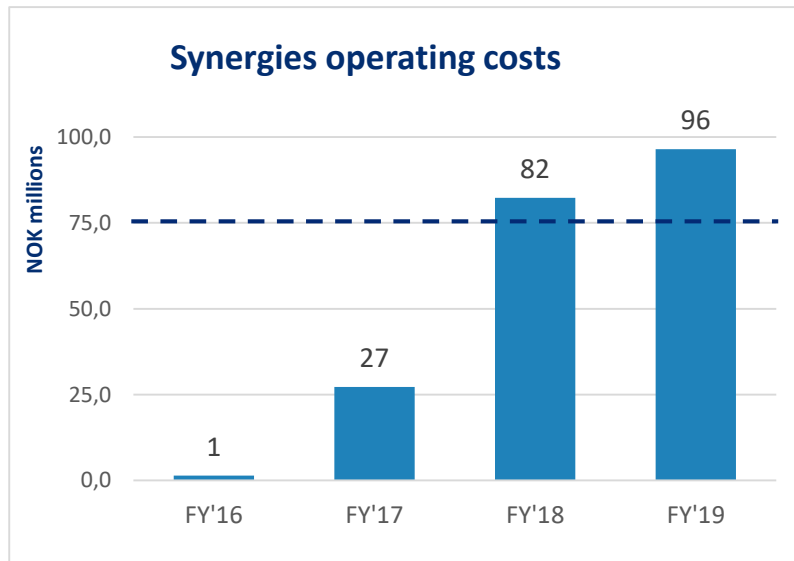
Operating costs per quarter (NOK millions)



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

The merger project has been completed

Greater synergies identified and realised slightly ahead of schedule



Synergies

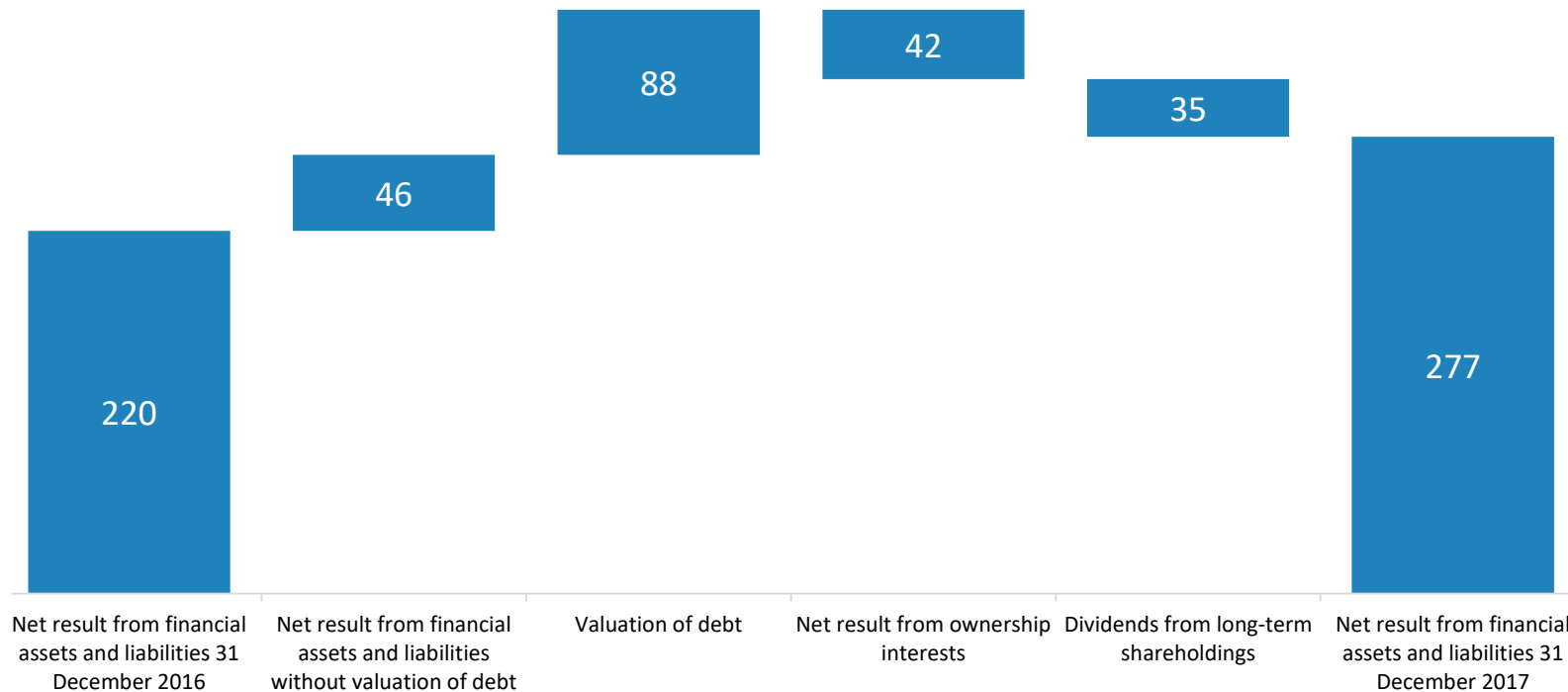
- Expected synergies of NOK 82 million in 2018 – compared with target of NOK 75 million
- Annual synergies are expected to rise to NOK 96 million from and including 2019
- 23 FTEs signed severance agreements in the fourth quarter
 - Most will leave in the first quarter of 2018
 - NOK 26 million was recognised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

Integration costs

- NOK 103 million in total integration costs
 - NOK 13 millions recognised in 2016
 - NOK 88 millions recognised in 2017, of which NOK 47 millions in the fourth quarter
 - NOK 2 millions will be recognised in 2018

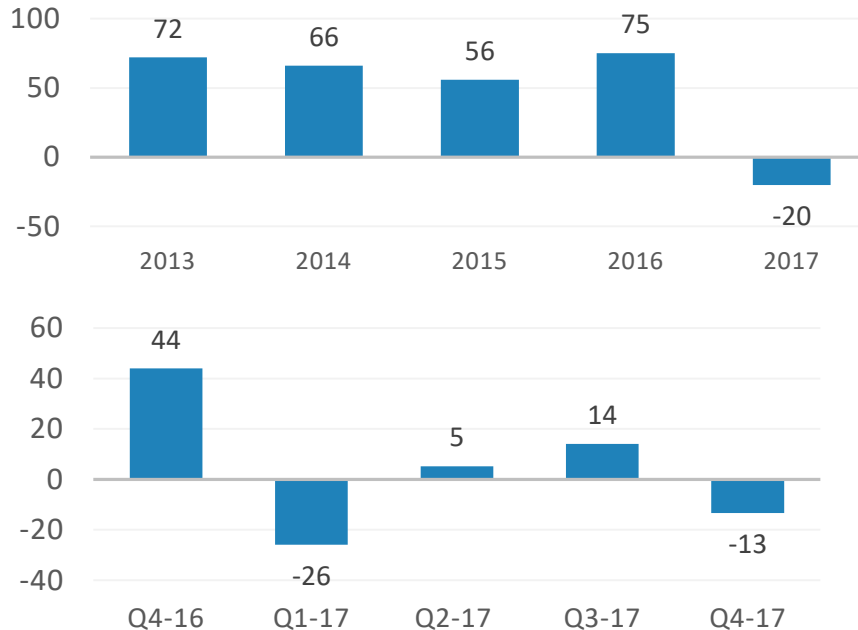
The contribution from financial items has increased

Net result from financial assets and liabilities (NOK millions)



Net reversals on losses

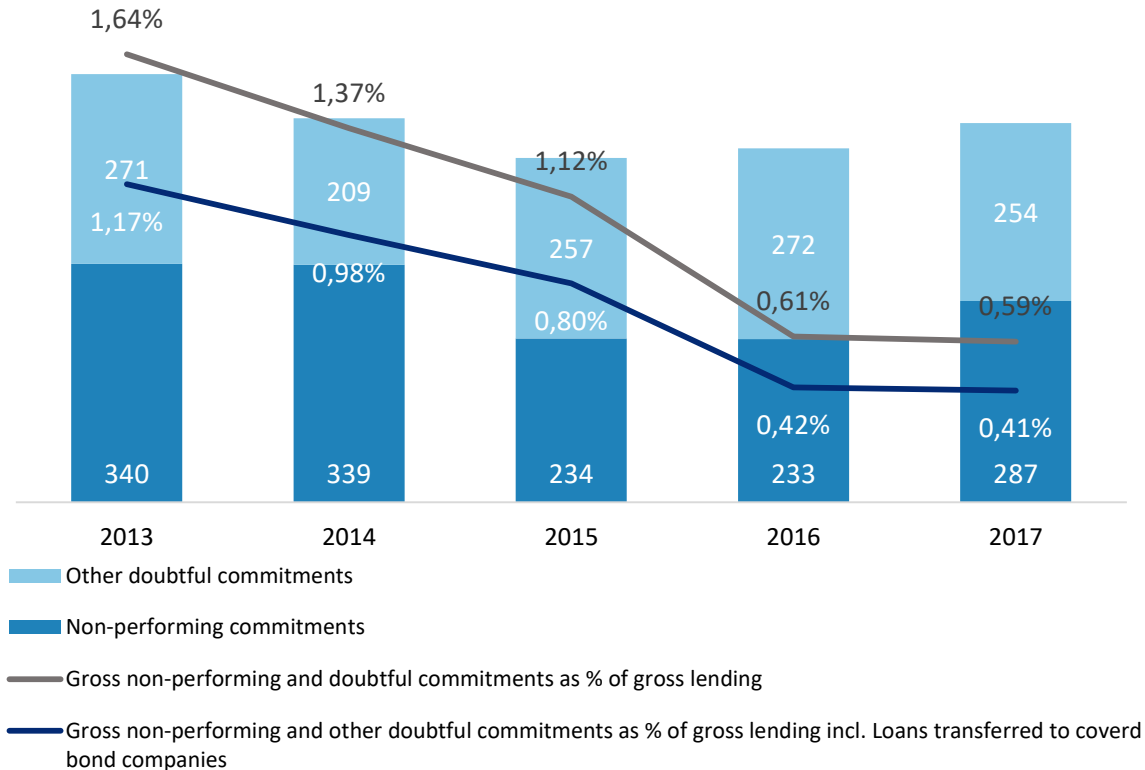
Net loan loss provisions (NOK millions)



- Net reversals on losses NOK 13 million in the fourth quarter
 - Equal to - 0.1 % of gross lending*.
 - Reversal of collective provisions by NOK 23 million in the corporate division due to improved credit quality.
- Net reversals on losses NOK 20 million in 2017
 - Equals -0.02 % of gross lending.
 - Reversal of collective provisions by NOK 46 million in the corporate division due to improved credit quality.

Low levels of problem loans

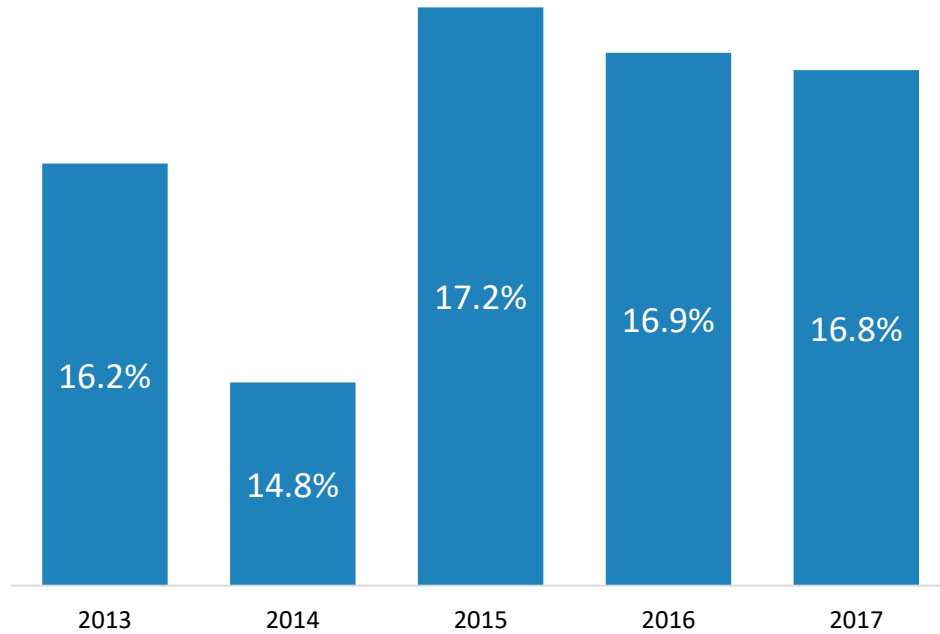
Non-performing and other doubtful commitments*



- The proportion of problem loans is stable at low levels

Solidity and capital adequacy

Core equity tier 1 ratio, Group (%)



- The Bank's target core equity tier 1 ratio is 16.0 %
- As of 31 December 2017, the core equity tier 1 ratio was 16.8 %
- The regulatory requirement is 13.7 %, including a Pillar 2 requirement of 1.7%
- The Financial Supervisory Authority of Norway has imposed a revised Pillar 2 requirement of 1.8 % with effect from 31 March 2018. The new total requirement for core equity tier 1 capital will then be 13.8 %.
- The leverage ratio was 7.1 % (7.4 %) as of 31 December 2017.

Regulations

IFRS 9 and Pillar 2

IFRS 9

NOK 22 million increase
in loss provisions

- The new loss model based on IFRS 9 has no significant effect on capital adequacy. Total loss provisions for the Group as of 1 January 2018 are estimated at NOK 389 million, NOK 22 million higher than the loss provisions as of 31 December 2017.
- The effect of changed classification and measurement is otherwise neutral from a regulatory perspective.
- The total implementation effect of IFRS 9 for the Group is estimated at a 0.03 percentage point reduction in the core equity tier 1 capital ratio.

**Pillar 2 requirement
increased
to 1.8 % effective
31 March 2018**

- On 2 February, the Financial Supervisory Authority of Norway set a Pillar 2 requirement of 1.8 % for SpareBank 1 Østlandet. This is 0.1 percentage points higher than the previous requirement.
- The increase is explained by the Financial Supervisory Authority of Norway's qualitative assessments of the merger risks in the Group. The Bank disagrees with the assessment, as the merger is finalised, but will not appeal the decision.

SPOL and dividend

A dividend of NOK 3.96 per equity certificate is proposed

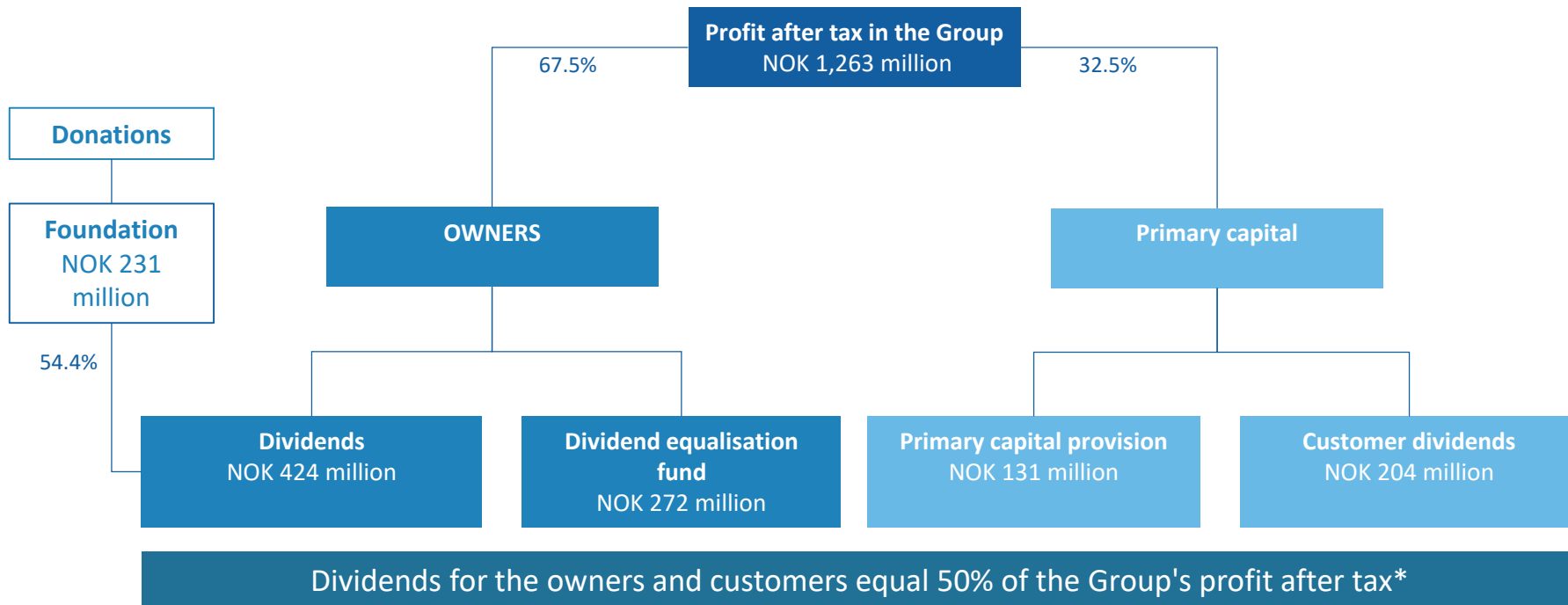
	31 December 2017
Equity certificates	
Market price (in NOK)	90.50
Market capitalisation (NOK millions)	9,700
Book equity per equity certificate	81.14
Earnings per equity certificate (in NOK):	7.92
Price/earnings per equity certificate:	11.43
Price/book equity	1.12

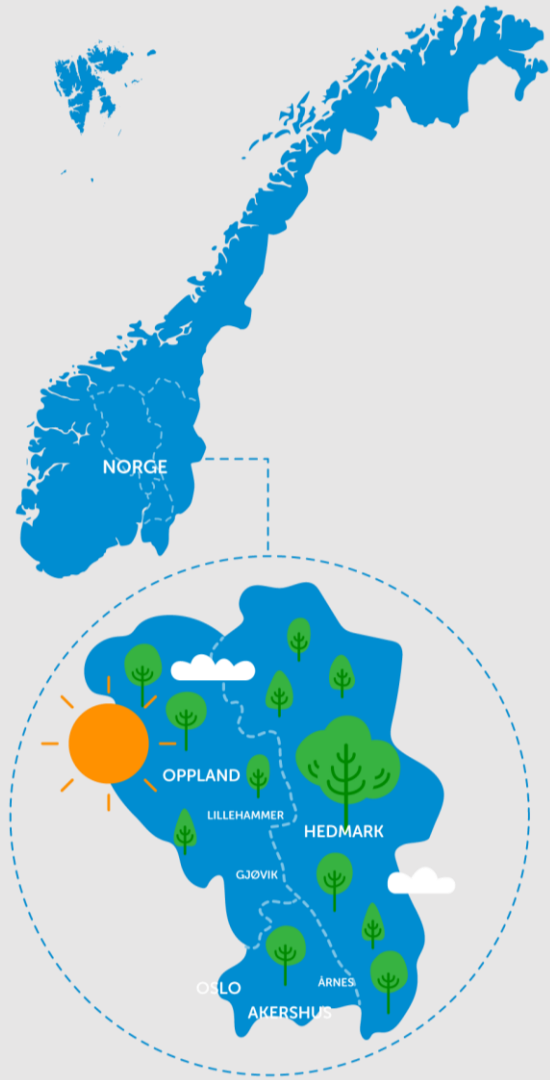
- The Board will propose to the Supervisory Board payment of a dividend of **NOK 3.96 per equity certificate**
- The Supervisory Board will meet on 22 March (approval date)
- The last day inclusive is 22 March
- SPOL is ex dividend from 23 March
- The record date is 26 March
- Dividend will be paid on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

Solid dividends for owners and customers

Allocation of profit

ILLUSTRATIVE*

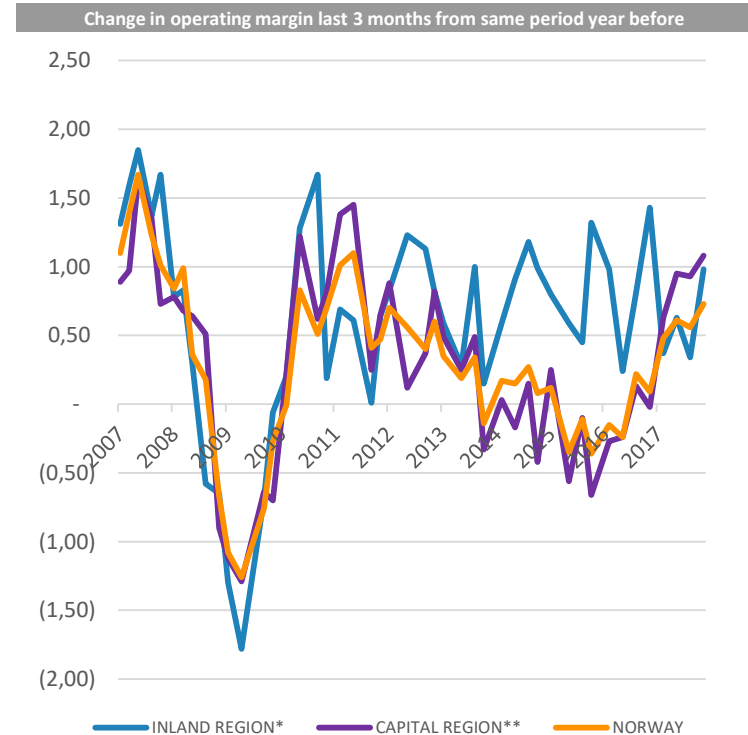
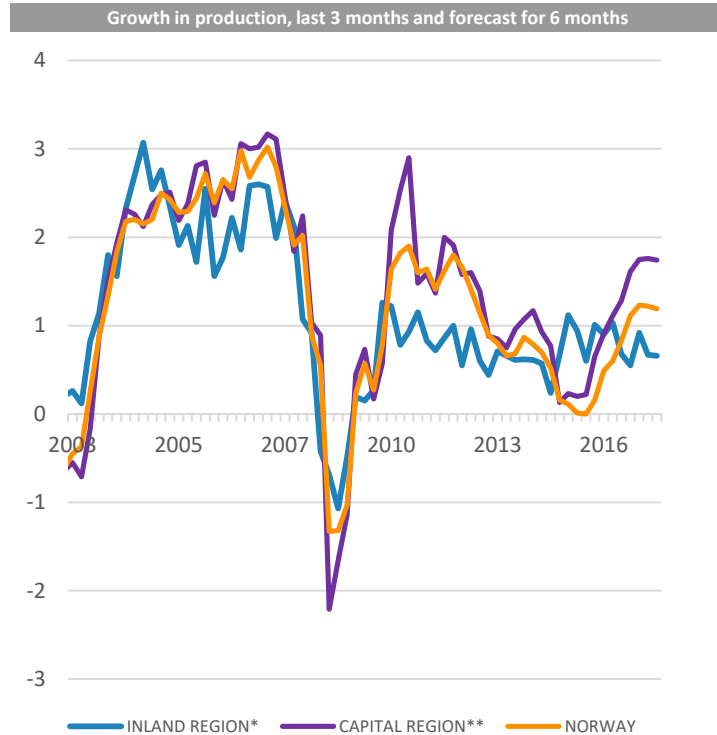




Macro and regional outlook

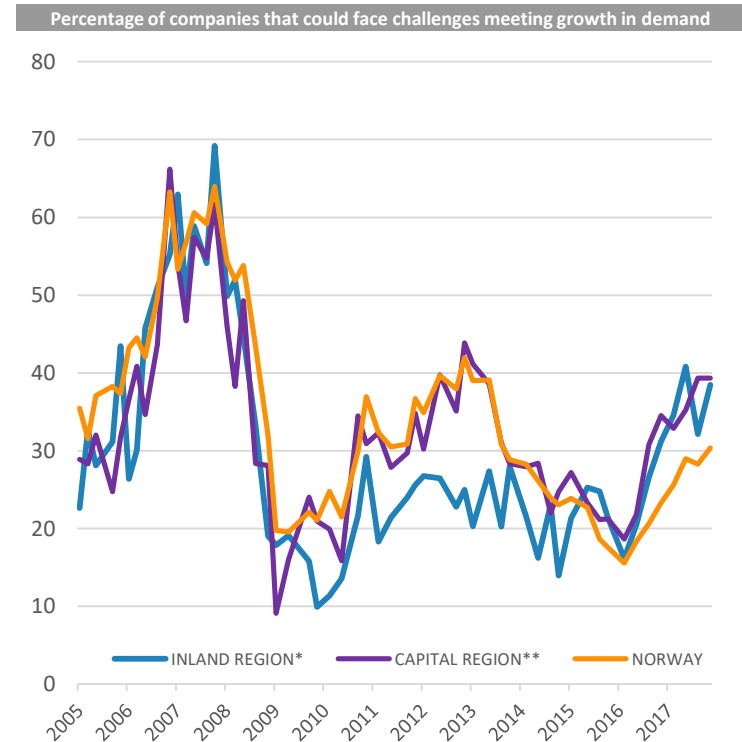
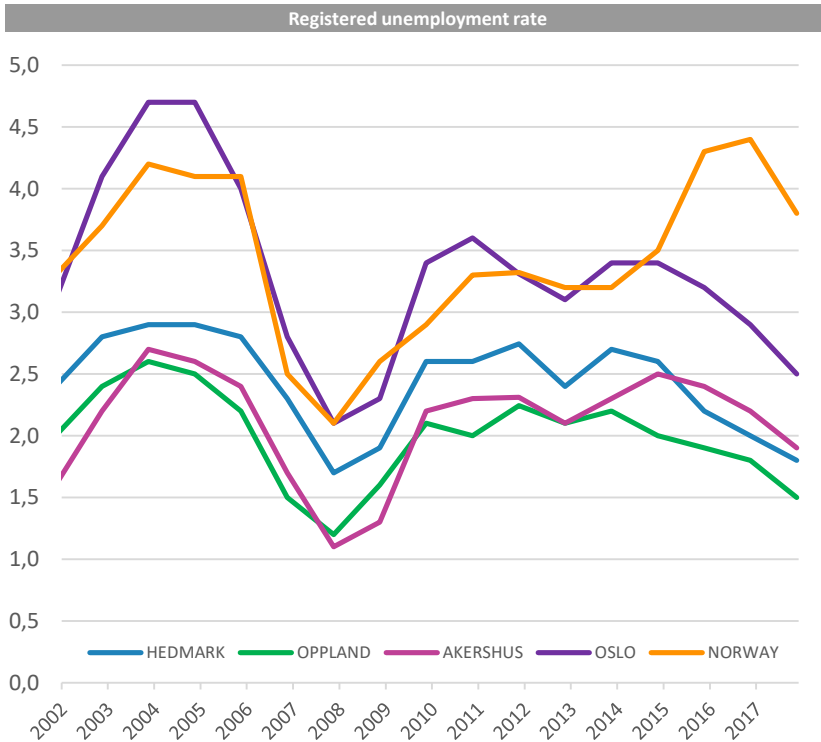
High economic activity in the region

Stable production growth and increasing profitability



High capacity utilisation and low unemployment

Lower unemployment than the rest of Norway

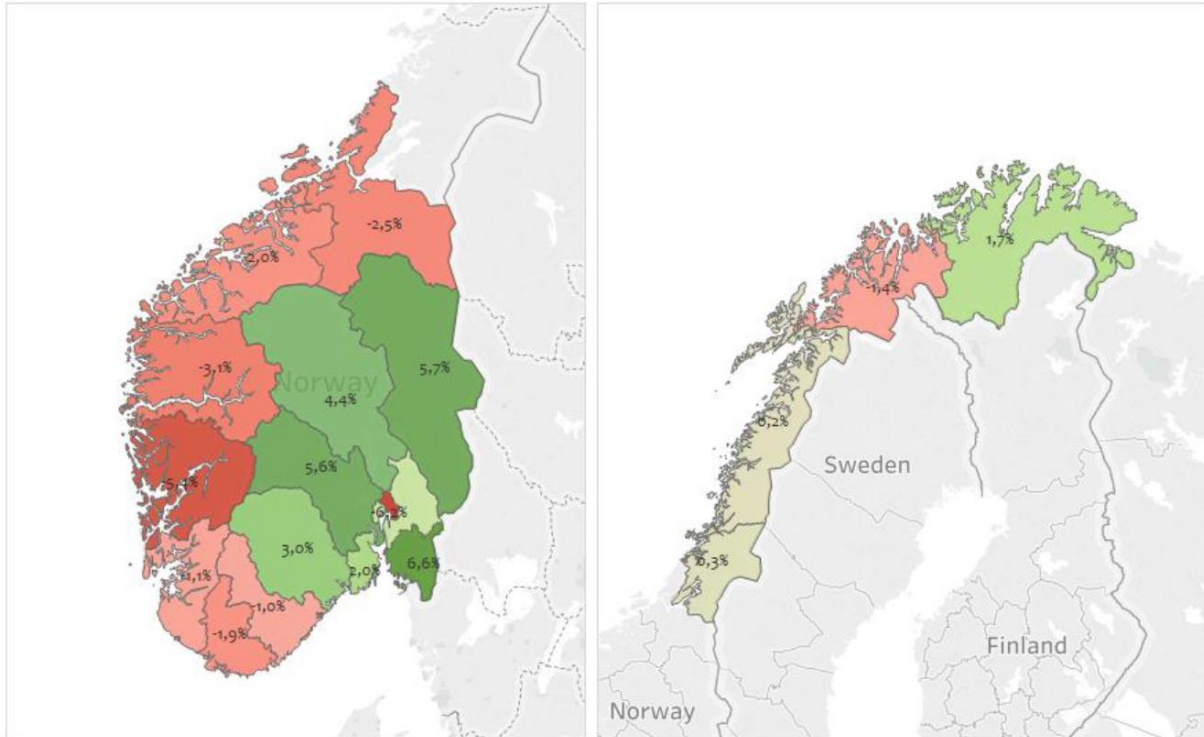


Source 1: Thompson Reuters Stream, NAV

Source 2: Norges Bank Regional Network 04/17 | *Includes Hedmark and Oppland | **Includes Oslo, Akershus, Østfold and Buskerud

Diversified housing market – good growth around Oslo

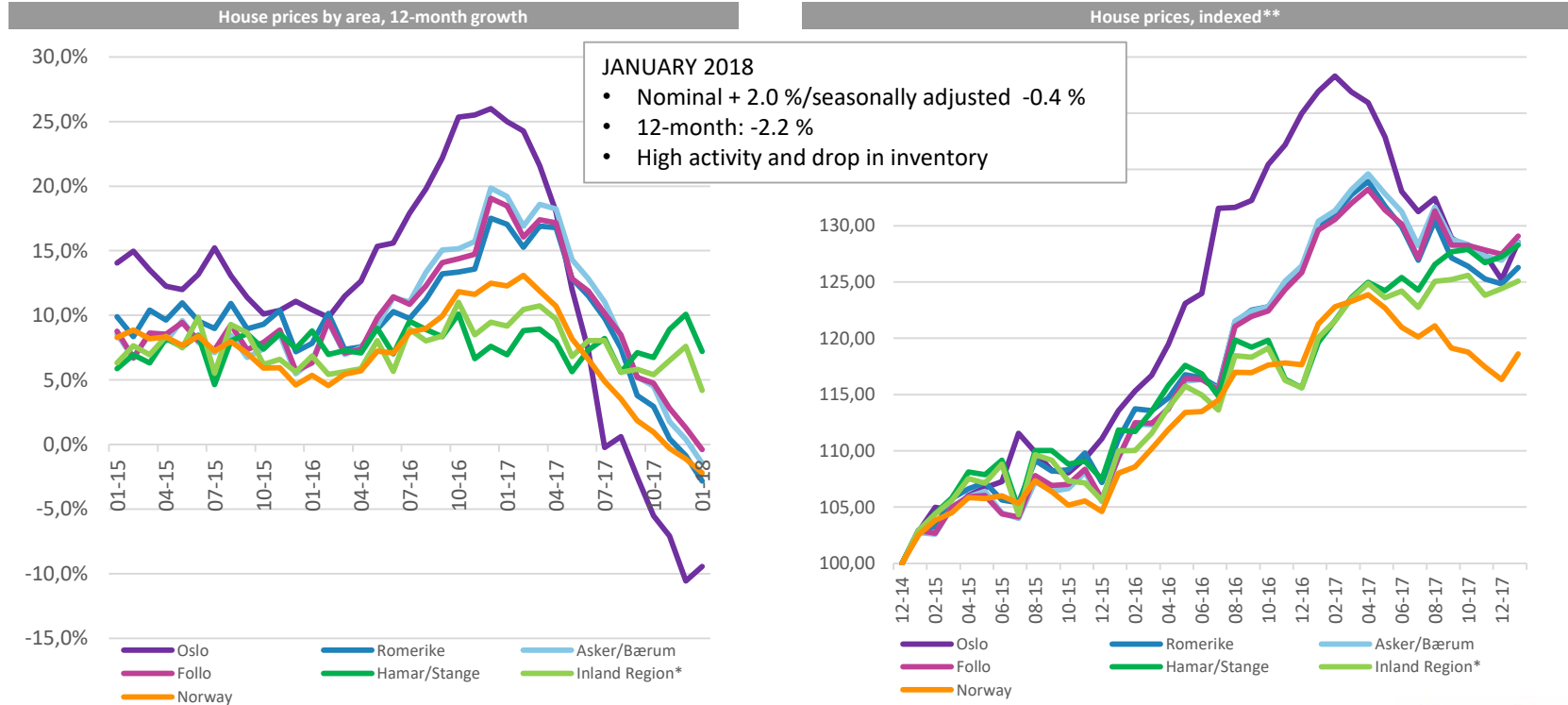
12-month price growth – by county as of 31 December 2017



- Growth in all counties surrounding Oslo
 - Oslo - 6.2 %
 - Hedmark + 5.7 %
 - Akershus + 0.8 %
 - Oppland + 4.4 %
- Sales records in Hedmark, Akershus and Oppland in 2017
- Turnover time up in Oslo and Akershus but was down in Hedmark and Oppland.
- Number of unsold homes falling in all counties
 - Drop in inventory

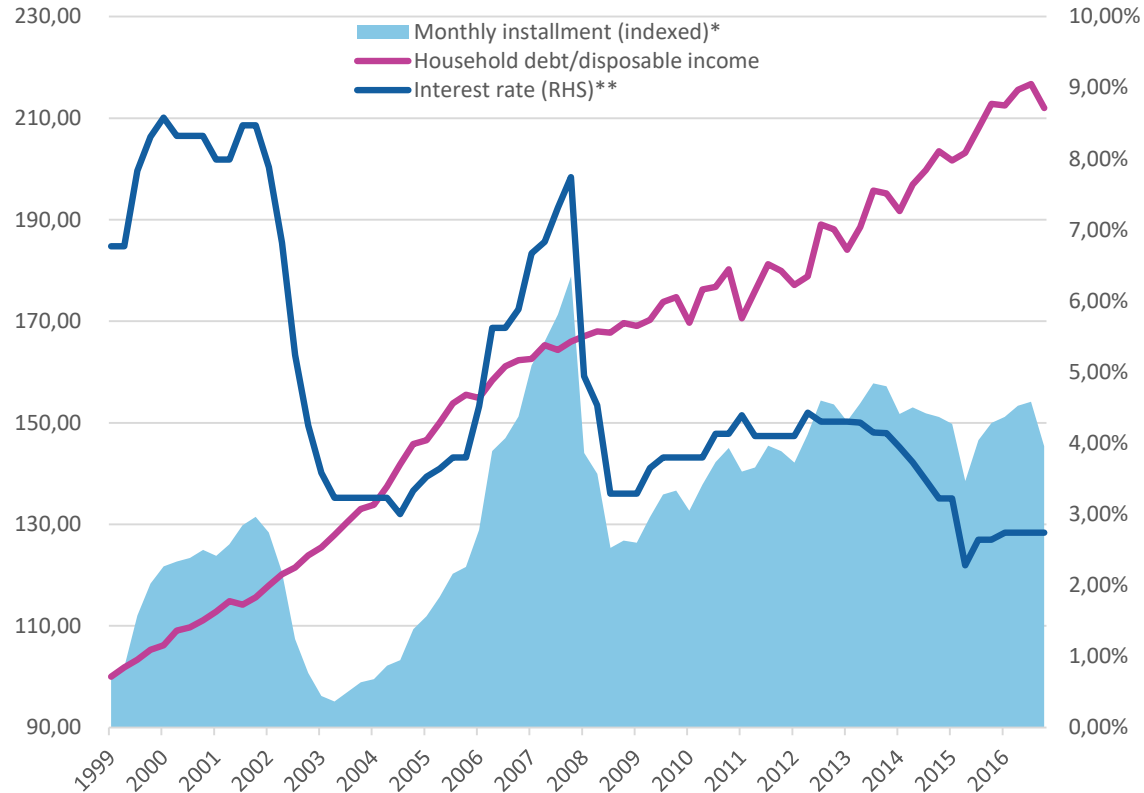
Housing prices level off with high activity

House price developments for relevant areas compared with Norway



Low interest rates reduces debt burden

Household debt



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

ICT is the fastest growing industry in the Inland Region

- ICT is the growth winner in the Inland Region, followed by building and construction. ICT grew by 14 % in the region between 2015 and 2016.
- Small and medium-sized ICT companies have the strongest growth rate, with 18 % growth in revenues.
- Digital platforms are enabling companies to reach larger geographical market areas.
- New communication solutions are making it possible to utilise labour and partnerships outside the region.
- Nation wide, ICT saw a 7 % decrease in the same period.

High expectations for 2018

Increased business optimism

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

High expectations for the future

- Eight out of ten persons believe their financial status will be the same or better in 2018 (than in 2017).
- 18-29 age group the most optimistic.
- Online shopping is increasing, Eastern Norway region the leader in Europe.

Optimism prevails for 2018

Increased optimism among businesses

- Far greater expectations of increased sales and demand than of increased staffing and investment.
- Three out of ten companies plan to implement one or more innovation projects in 2018.
- Six out of ten businesses use social media, 80 % of them use it for marketing.

High expectations to the country's economy and own finances among individuals

- Eight out of ten believe their financial status will be the same or better in 2018.
- Men are 50 % more optimistic than women, younger people are more optimistic than older people (18-29 versus 45+).
- Online shopping is growing in the region and is the highest in Europe, five out of ten say they plan to buy goods and services online in 2018.

Strategy and ambitions



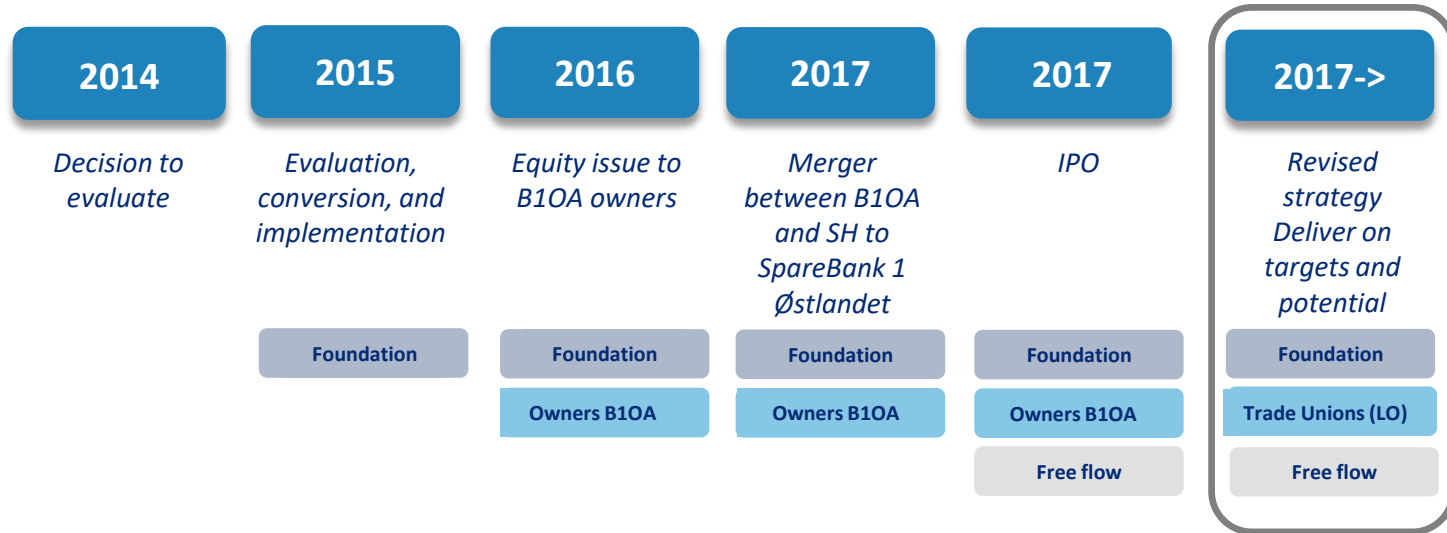
Successful merger and IPO

Targets for synergies achieved

- Acquisition of Bank 1 Oslo Akershus AS
 - Completed on 29 June 2016
- Legal merger
 - Successful legal merger 1 April 2017
 - New name SpareBank 1 Østlandet
- Stock exchange listing (SPOL)
 - SpareBank 1 Østlandet listed on 13 June 2017
 - Listing price NOK 78.00
 - Market price as of 31 December 2017
NOK 90.50
 - Market price as of 31 January 2018
NOK 94.60
- Technical merger
 - Successful implementation weekend
13-15 October 2017
 - All banking systems integrated into a
common platform
- Synergies
 - Initial goal of NOK 75 million in annual
cost reductions
 - Will deliver NOK 82 million with full year
effect in 2018
 - Integration costs of NOK 103 million in
total for the period 2016-2018.

Continuous development of the Bank

Merger and IPO basis for future growth



Customer dividend ensures a stable EEC ratio

Attractive market with growth opportunities

Major player in Eastern Norway with a main focus on Hedmark, Oppland, Oslo and Akershus

CAPITAL REGION **Oslo and Akershus**



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

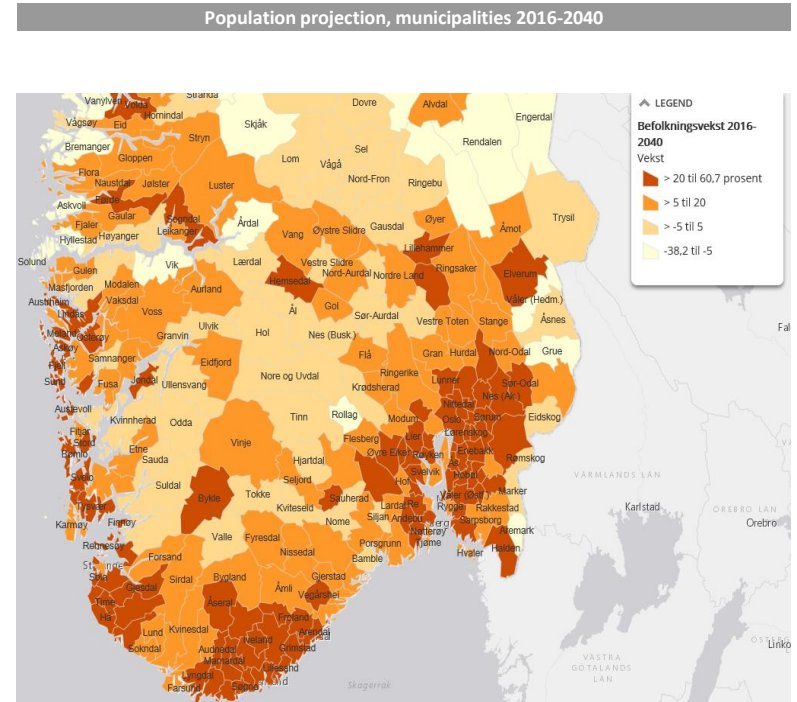
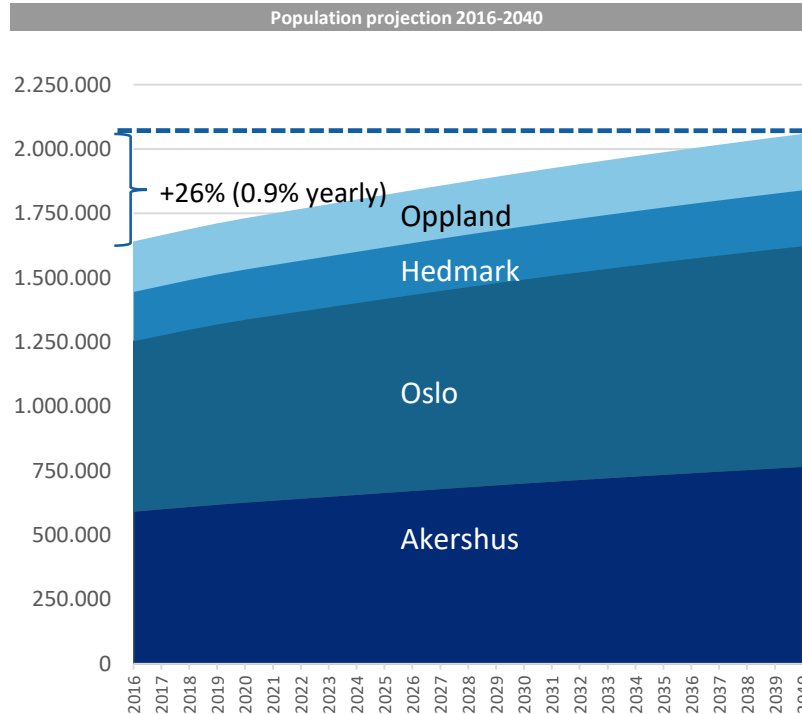
INLAND REGION **Hedmark and Oppland**



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

A market area with long term growth potential

Population growth



By the end of 2021



Are we the third largest savings bank in Norway



We have one of the most attractive equity certificates on Oslo Stock Exchange



We have differentiated ourselves from the main competition and have increased our market share



We have made banking easy for our customers and employees

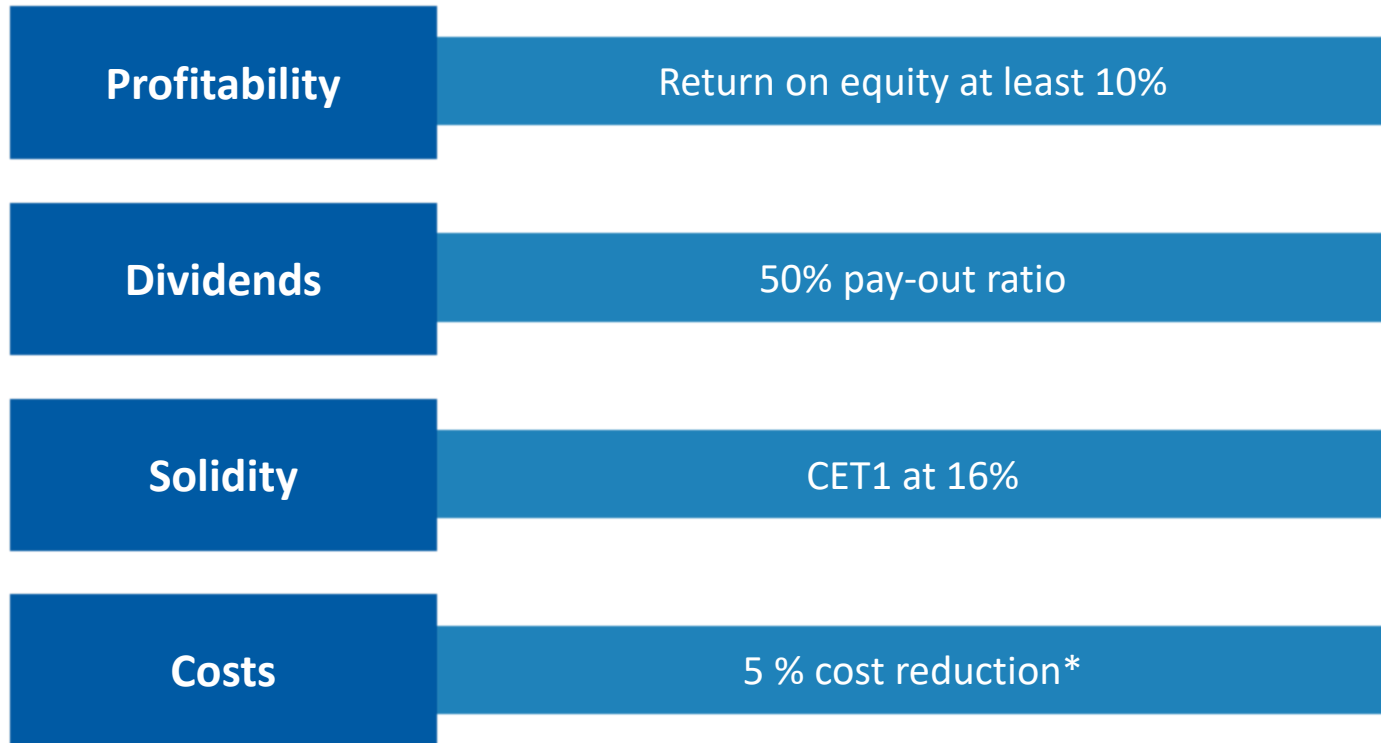


Best at cross-sales in the alliance and have utilised the profitable potential in the Group



We have established ourselves as a bank with a distinct ESG profile

Financial targets 2018





The Group is preparing for the future

- **VR/AR** cooperation signed with world leader EON Reality Inc. The goal is to help increase financial understanding among today's youth and teach everyone how to manage their own finances.
- **Askelab AS** was established as a separate company under the direction of SpareBank 1 Finans Østlandet. The company develops solutions for mobility, the sharing economy and autonomous vehicles. The aim is to challenge existing businesses.
- **Own innovation and development department** was established in 2017.
- **Extensive development work** along with the other SpareBank 1 alliance banks.
- **An innovation lab** is being established in cooperation with technology companies as partners. The lab is a meeting place for open innovation and we will seek partnerships with entrepreneurs and scientists from the local business sector, academia and start-up clusters.

SpareBank 1 Østlandet's main differentiator

SpareBank 1 Østlandet is the bank that introduced customer dividends

Bytt til banken med **kundeutbytte**

Start her >>

SpareBank
ØSTLANDET **1**



Flytte og bytte til banken
med **kundeutbytte?**

Start her >>

SpareBank
ØSTLANDET **1**



Flytte og bytte til banken
med **kundeutbytte?**

Start her >>

SpareBank
ØSTLANDET **1**

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Bytt til
banken med
kundeutbytte

Start her >>

SpareBank
ØSTLANDET **1**

Finn.no 160x600px



Flytte og bytte
til banken med
kundeutbytte?

Start her >>

SpareBank
ØSTLANDET **1**



Boliglån med
kundeutbytte?

Ja takk

SpareBank
ØSTLANDET **1**

The LO customers represent a significant potential

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

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



- All members are SpareBank 1 customers through LOfavor group policies

We take sustainability seriously

Among the first in providing green financing for retail customers

Østlendingen Vi bryr oss!

ONSDAG 17. JANUAR 2018 ■ 118. ÅRGANG ■ NR. 14 ■ LØSSELS KR. 40,00 SMS-tips: ØTIPS TIL 2005

MEGET AKTIV NYKKOMMER
Klubbmedlemmer skal nå Norum gåkk rett til topps under Aktiv Awarde!
SIDE 2

alv.

ENIGE OM NYTT NAVN
Fylkespolitikken i Nordmark og Oppland er enige om å bytte navn.
SIDE 8

UTESTENGT
Jeger Østlandet fra fjellveggen til siste kultursenter fag og her kritiserer styret i Sør-Østbanen.
SIDE 10-11



NULLRENTE: Daglig leder Eivorm Vekst og Odd-Erling Lange til venstre og konsernsjef Richard Heberg til høyre signerer et av de første grønne boliglån med null rente på deler av lånet for dem som vil kjøpe bolig i Ydalir.

Tilbyr grønt boliglån med null rente

MILJØLÅN: Sparebank Østlandet ønsker å opparbeide seg en sterk bærekraftsprofil ved å tilby grønt boliglån til energieffektive og miljøvennlige boliger med 0 prosent rente for deler av lånet første året. De første som får tilbud om lånet er boligkjøpere i nullutslippsbydelen Ydalir i Elverum. **SIDE 4-5**

Kredittverdige boligkjøpere i Ydalir kan få flying start

Tilbys grønt boliglån med null rente



NULLRENTE: Daglig leder Eivorm Vekst, Odd-Erling Lange til venstre og konsernsjef Richard Heberg til høyre signerer et av de første grønne boliglån med null rente på deler av lånet for dem som vil kjøpe bolig i Ydalir.

ELVERUM: Eivorm Vekst og Sparebank Østlandet har inngått avtale om å boliglåne i Ydalir for grønt boliglån til svært gunstige vilkår. Deler av lånet har null rente første året.

BÆREKRAFTSLOAN

«Dette er en viktig dag for oss og en anerkjennelse av det vi har gjort sammen med nullrenteboliglånet i Ydalir. Det er et stort skritt mot et mer bærekraftig og miljøvennlig Norge. Vi vil fortsette å utvikle og tilby grønt boliglån til våre kunder som vil bidra til et mer bærekraftig og miljøvennlig Norge.»

Ferdig dokument

Det grønne boliglånet skal også kunne tilbys til andre typer boligkjøpere i Norge, og det er allerede i gang å utvikle og tilby grønt boliglån til andre typer boligkjøpere i Norge. Dette er et stort skritt mot et mer bærekraftig og miljøvennlig Norge. Vi vil fortsette å utvikle og tilby grønt boliglån til våre kunder som vil bidra til et mer bærekraftig og miljøvennlig Norge.

BÆREKRAFT: Sparebank Østlandet vil sette på baren og står for med å innføre et av de første grønne boliglån med null rente på deler av lånet for dem som vil kjøpe bolig i Ydalir. For å sikre at lånet er bærekraftig og miljøvennlig, vil Sparebank Østlandet sette på baren og står for med å innføre et av de første grønne boliglån med null rente på deler av lånet for dem som vil kjøpe bolig i Ydalir.

Summary of 2017

- Introduced customer dividends
- Completed the merger with Bank 1 Oslo Akershus AS
- Listed on Oslo Stock Exchange
- Established new strategic destination
- And at the same time, delivered a solid result in line with financial goals



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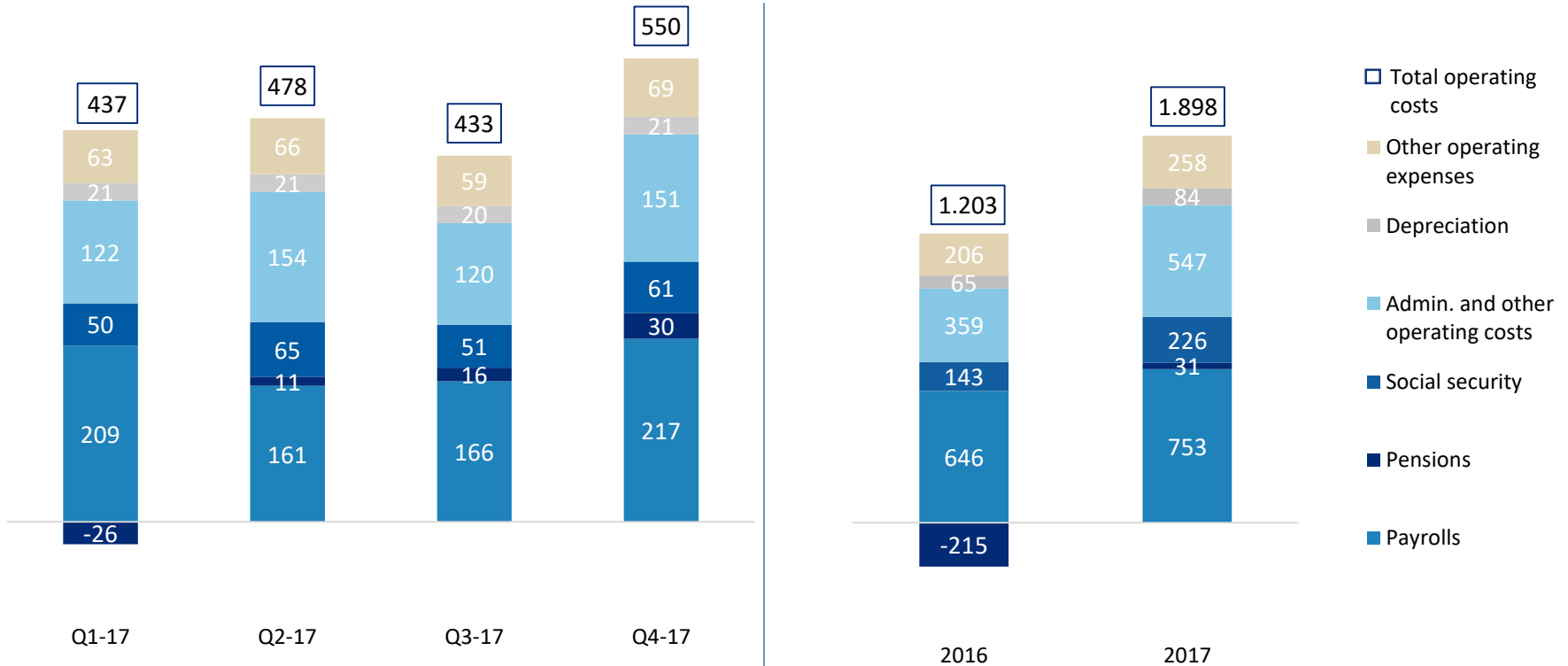


Runar Hauge
Investor relations
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Supplementary information

Operating costs

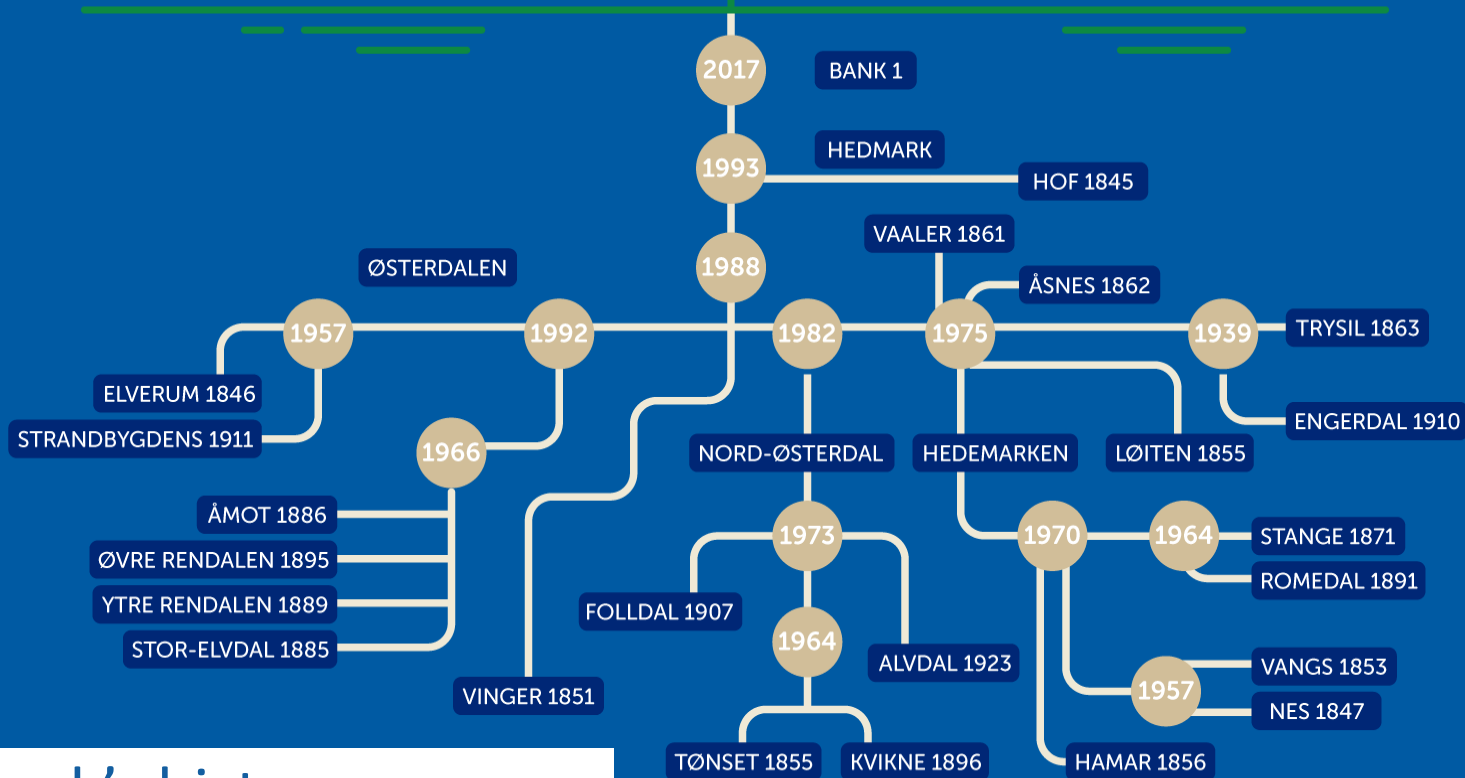
Operating costs per quarter and per year (reported, NOK millions)



Specification of consolidated profit after tax

NOK million (reported)

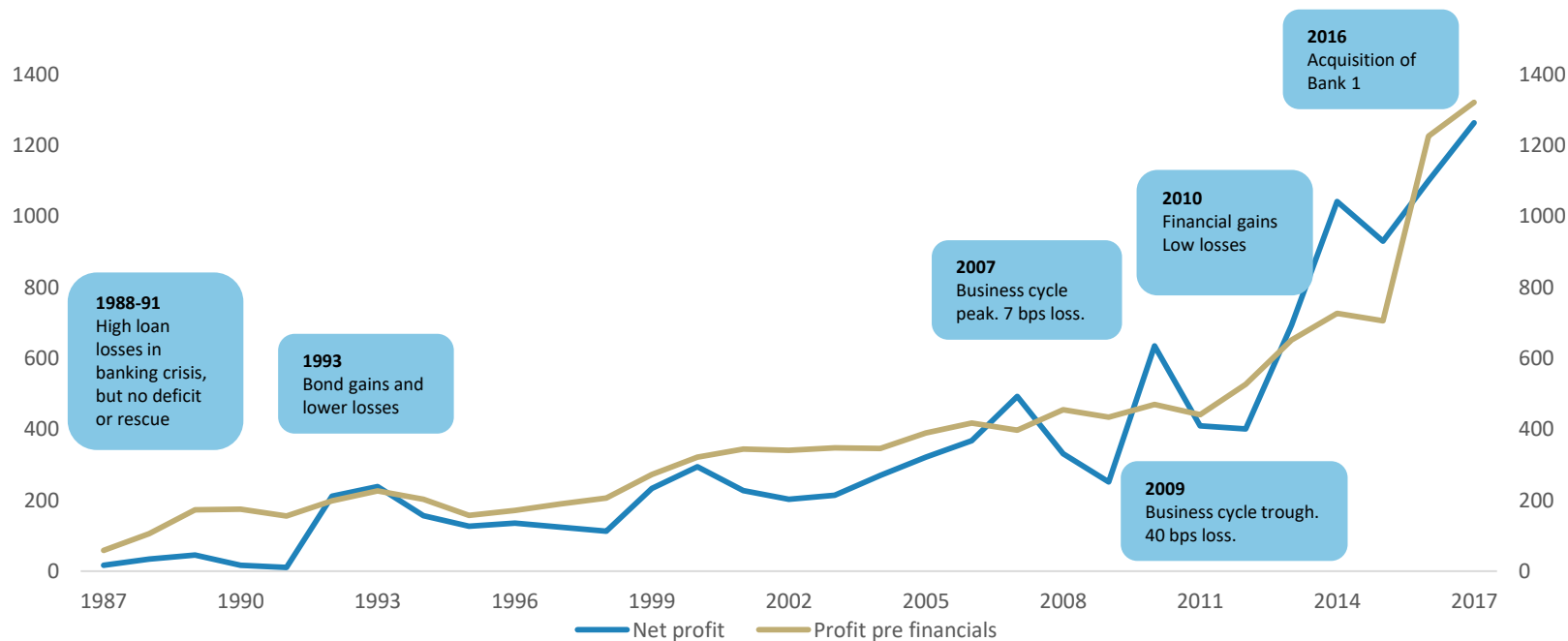
	Q4-2017	Q3-2017	Q2-2017	Q1-2017	2017	2016
Parent Bank's profit after tax	276	263	373	190	1,102	964
Dividends received from subsidiaries and joint ventures	-22	0	-159	-84	-266	-389
Profit /loss attributable to:						
SpareBank 1 Gruppen AS	85	51	44	42	222	192
Bank 1 Oslo Akershus AS (Q1-2017)	0	0	0	119	119	250
SpareBank 1 Boligkreditt AS	-10	9	-17	-26	-44	-25
SpareBank 1 Næringskreditt AS	0	0	0	1	1	2
EiendomsMegler 1 Hedmark Eiendom AS	-5	5	8	2	10	14
EiendomsMegler 1 Oslo Akershus AS-Group	-11	-4	3	0	-12	2
SpareBank 1 Finans Østlandet AS	27	29	34	28	118	86
SpareBank 1 Regnskapshuset Østlandet AS	-4	-2	1	2	-3	2
SpareBank 1 Kredittkort AS	5	4	6	2	17	17
SpareBank 1 Betaling AS	-10	3	0	0	-7	0
Other associated companies/joint ventures	5	19	-18	-2	4	-14
Consolidated profit after tax	337	377	274	274	1,263	1,100



The Bank's history

Long history of profits

Net profit and profit pre-financials and loan losses (MNOK)



Source: Bank reports and SpareBank 1 Markets .



Long history of low loan losses

In line with peers, but more stable than peer average

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



Source: Bank reports and SpareBank 1 Markets. Peers: NONG, SRBANK, MING, MORG, SVEG.
Peer-average estimate based on data until 2016.

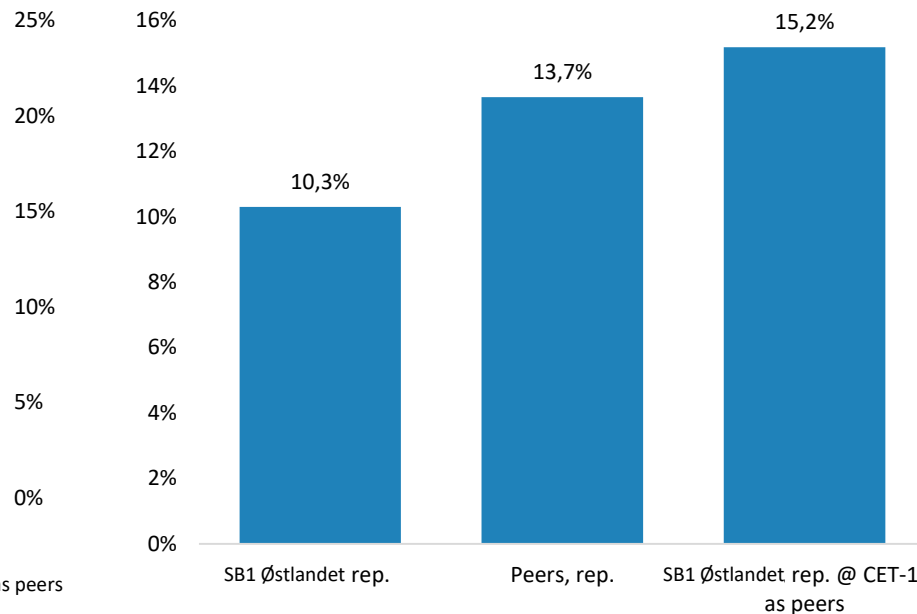
Strong profitability adjusted for gearing

Return on equity (per cent)

Development 1996-2016



Average 1996-2016



Source: SpareBank 1 Markets. Peers: NONG, SRBANK, MING, MORG, SVEG.



Structure, The Alliance and strategy

Diversified Main Activities

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

Operational divisions **

	<p>Retail Segment</p> <p>~ 370 employees</p>
	<p>Corporate Segment</p> <p>~ 125 employees</p>
	<p>Organizations & Capital Markets</p> <p>~ 20 employees</p>
	<p>Administration & Support</p> <p>~ 190 employees</p>

Selected key subsidiaries

100%	<p>EiendomsMegler 1 Hedmark Eiendom AS</p> <p><i>Real estate agent</i></p>
100%	<p>EiendomsMegler 1 Oslo Akershus AS</p> <p><i>Real estate agent</i></p>
95%	<p>SpareBank 1 Finans Østlandet AS</p> <p><i>Financing / Leasing</i></p>
100%	<p>SpareBank 1 Regnskapshuset Østlandet AS</p> <p><i>Accounting</i></p>

Selected other ownership interests

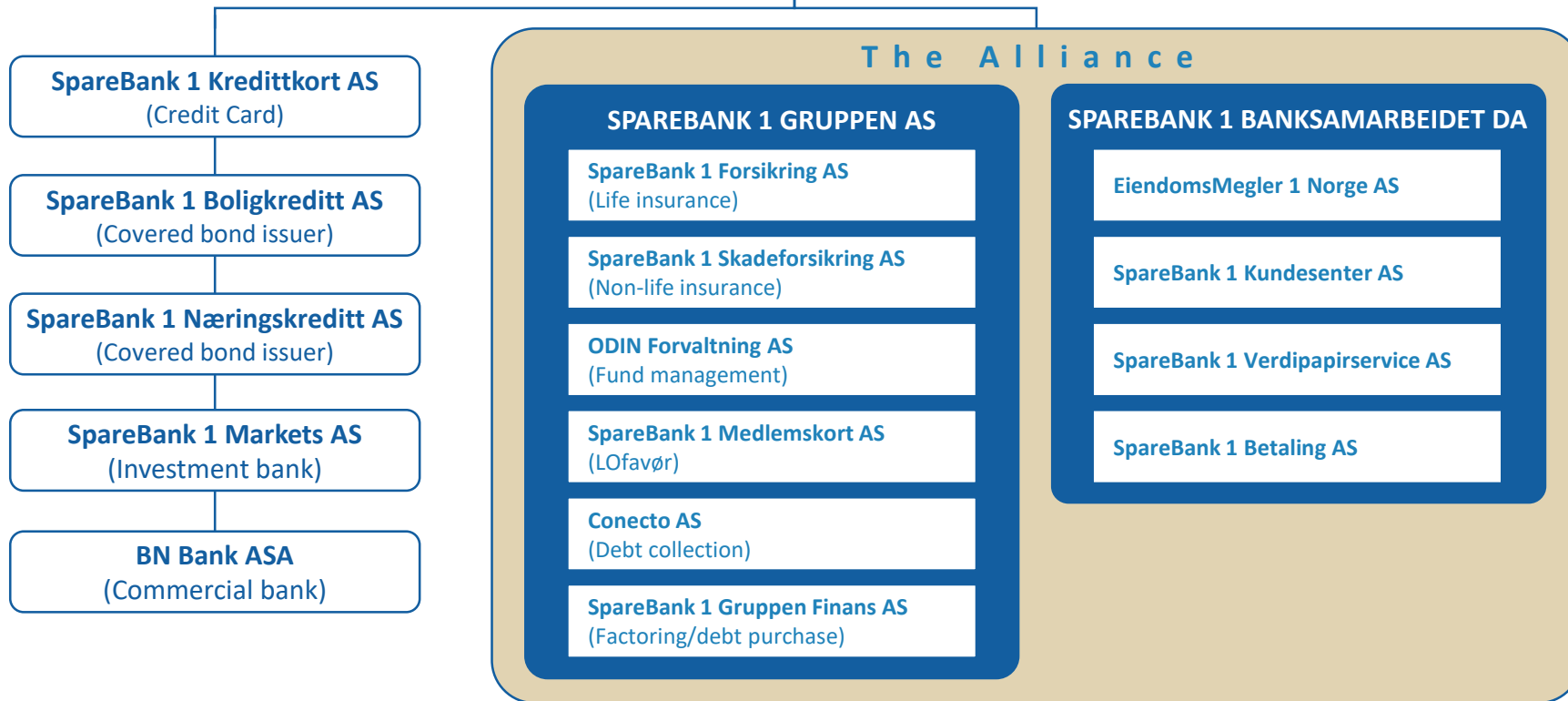
~25%	<p>Totens Sparebank</p> <p><i>Savings bank</i></p>
~24%	<p>KOMM-IN AS</p> <p><i>Local venture capital</i></p>
100%	<p>Vato AS</p> <p><i>Property management</i></p>
50%	<p>Torggt 22 AS</p> <p><i>Real estate SPV</i></p>
100%	<p>Youngstorget 5 AS</p> <p><i>Real estate SPV</i></p>

Part of the SpareBank1 Alliance



**14 independent savings banks
cooperating on joint platform and
brand: SpareBank 1**

- SpareBank 1 BV**
- SpareBank 1 Gudbrandsdal**
- SpareBank 1 Hallingdal Valdres**
- SpareBank 1 Lom og Skjåk**
- SpareBank 1 Modum**
- SpareBank 1 Nord-Norge**
- SpareBank 1 Nordvest**
- SpareBank 1 Ringerike Hadeland**
- SpareBank 1 SMN**
- SpareBank 1 SR-Bank ASA**
- SpareBank 1 Søre Sunnmøre**
- SpareBank 1 Telemark**
- SpareBank 1 Østfold Akershus**
- Sparebank 1 Østlandet**



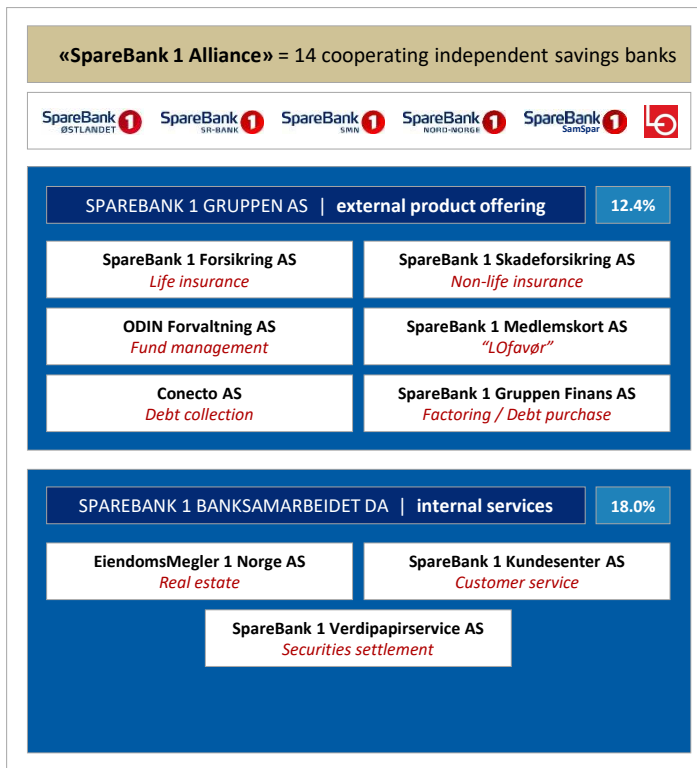
Part of the SpareBank 1 Alliance

Provides operational and financial economies of scale as well as diversified product offering

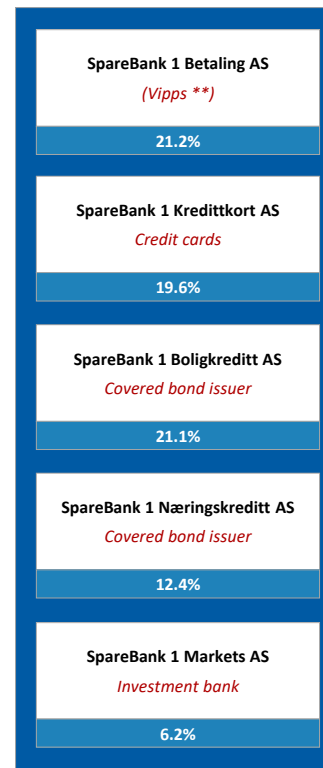
Key comments

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

Key joint ventures



Key associated companies



* % = ownership ratio || Source: Sparebank 1 Gruppen || Note(**): SpareBank 1, DNB and others have formed a cooperation with Vipps as a common platform for mobile payment solutions in Norway. The bank owns 5,3 % indirectly in Vipps via SpareBank 1 Betaling AS, thus effectively being the second largest shareholder of Vipps.

Acquisition of Bank 1 Oslo Akershus (2016)

Strategic rationale

- Strategic positioning towards the largest region in Norway - Oslo is the fastest growing capital in Europe
- Integrated region for labour and housing
- No overlapping branch network
- Reduced costs through synergies
- More professional, more specialised, more attractive employer
- Further diversification of loan portfolio
- Legal merger took effect on 1 April 2017 with:
 - A new name: SpareBank 1 Østlandet.
 - A new organizational structure and group management



Source: (The Norwegian railroad authority)

Norwegian banks have been leading the way

Norwegian banks leading in FinTech



1970

1980

1990

2000

2010

2020

Payment cards

Computers

Internet bank

Mobile bank

mCash + Vipps



ATMs



Payment terminals



Bank ID



Chatbots



We are in the forefront of digital banking

SpareBank 1 Østlandet launched Europe's first internet bank in 1996 and remain in the forefront

Banking customers

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

Banking in SpareBank 1 Østlandet

- A long list of innovations
 - Norway's first telephone bank (1994)
 - Europe's first internet bank (1996)
 - Norway's first mobile banking app (with the SB1 Alliance) (2010)
 - Norway's first bank with customer dividend (2016)
 - Norway's first voice controlled mobile banking app(2017)
- To be continued..



But we also believe in local banking

Our largest competitor is closing many branch offices in the region

- We believe that most people still want to discuss personal economy with their bank – even the millennials.
- We believe that business leaders need discussion partners that understand their particular situation – especially in the SME segment, including our agricultural customers.
- We believe that SpareBank 1 Østlandet needs to remain local to remain relevant – as a true savings bank.

BANKVIRKSOMHET NYHETER
DNB legger ned 59 kontorer i Norge – Årnes er ett av dem

NYHETER MOELV BANK, FINANS OG FORSIKRING

DNB legger ned i Moelv

Av GAUTE FRENG 03. februar 2016, kl. 20:38

DNB bank i Moelv varsles lagt ned. Det vekker reaksjoner.

DEL I en pressemelding melder DNB at banken ac skal redusere antall bankkontorer som betegnes personmarkeder fra 116 til 57.

DNB skal også kutte 600 årsverk. Endringer i folks bankvaner er forklaringen på de store kuttene.


En av de som altså skal stenge er DNB i Moelv.

Eiendomsutvikler Per Tore Teksum er en av flere som er lite fornøyd med nyheten.



DNB i Moelv varsles lagt ned.

03. februar 2016, kl. 17:30



KUTTER: DNB legger ned fire kontorer på Romerike, totalt 59 kontorer i hele landet. FOTO: SCANPIX

ØKONOMI OG NÆRINGSLIV ELVERUM NYHETER BANK, FINANS OG FORSIKRING

DNB legger ned bankkontoret i Elverum

Av STÅLE JOHAN BERG

DNB skal i løpet av første halvår 2016 halvere totalt antall bankkontorer i Norge. Dette fordi de fleste av kundene nå har blitt selvbetjente med hjelp av tjenester på internett og mobil.

DEL - Når kundene endrer sine bankvaner, må vi følge etter. Utviklingen de siste to årene har vist at kundene har mer kontakt med oss enn tidligere, men på helt andre måter. De ønsker å ha banken tilgjengelig hele tiden, og bruker



AVVIKLES: DNBS kontor i Elverum blir i løpet av våren avviklet. DNB Eiendom vil fortsette å bruke lokalene. (Foto: Ståle Johan Berg)





Equity certificates, governance and customer dividend

About equity capital certificates (ECCs)



- A savings bank that has issued equity capital certificates has two types of equity. One is its primary capital, or “ownerless” equity, which consists of retained earnings built up by the bank over the years. The other is certificate-holders’ equity, consisting of equity certificate capital and related reserves (equalisation reserve and premium account).
- Equity capital certificates have clear similarities to shares. The main differences lie in their owners’ rights to the bank’s assets and influence over the bank’s governing bodies. The key principle is that profits are distributed proportionally on the basis of ownership share and the bank’s other capital.
- At a limited company, losses hit shareholders’ equity directly. At a savings bank, losses are first absorbed by the primary capital and equalisation reserve, and the equity certificate capital is at risk only if the primary capital is exhausted.

About equity certificates (ECCs), cont'd

Overview of a savings bank's primary capital

Priority

Subordinated loan capital			
Capital contribution securities			
Nominal Equity Certificate capital			
Premium reserve		Compensation fund	
Equalisation fund	Fund for unrealised gains	Savings Bank fund	Donation fund

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

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

Governance structure



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

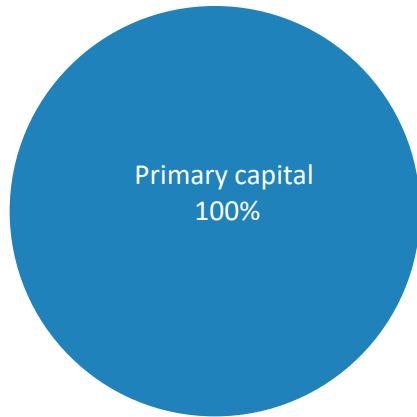
Representation in supervisory board	Share
4 members	10 %
14 members	35 %
10 members	25 %
12 members	30 %
40 members	

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

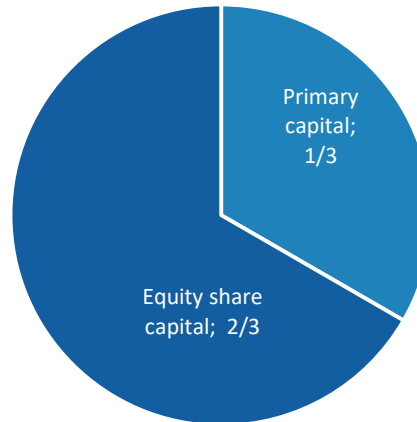
Conversion and ownership composition

Changes during conversion and IPO

Equity capital before conversion (and Bank 1)



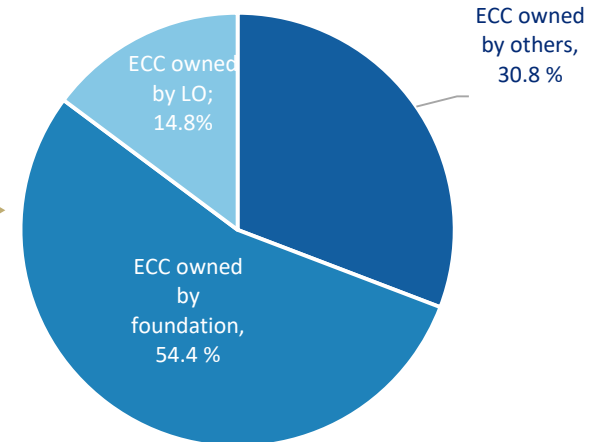
Equity capital after conversion and Bank 1 (pre-IPO)



Owned by the Foundation, LO and the other Sp1-banks



Equity share capital after IPO

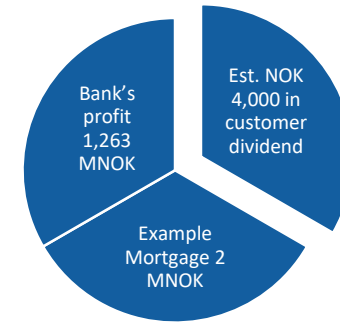
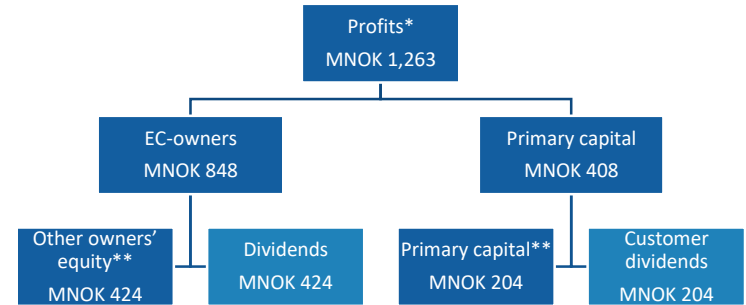


Staying innovative: The Customer dividend

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

ILLUSTRATIVE

- *Creating together* is the bank's vision: In line with our basic values as a savings bank.
- Provides simple mechanism for stabilising the ownership share for the equity share capital.
- Effective on 1 January 2017, first dividend payment in April 2018.
- The bank's supervisory board decides whether customer dividends shall be paid out and how much.



*Including minority interest

**Simplified illustration based on 50 % dividend share, profit after taxes of MNOK 1,263 and an ECC-share of 67.5 %.

End