

ISSUER PROFILE

6 September 2017

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SpareBank 1 Østlandet

Key Facts and Statistics - H1 June 2017

Company Overview

SpareBank 1 Østlandet (known as Sparebanken Hedmark prior to April 2017) is a Norwegian regional savings bank that provides retail and corporate financial products and services, from loans and deposit facilities to insurance, pension, payment, leasing, real estate brokerage and accounting services. As of 30 June 2017, the bank had total consolidated assets of NOK107.7 billion (€11.2 billion).

As of 30 June 2017, the bank operated through a network of 38 branches, with offices in Hedmark, Oppland, Akershus and Oslo.

Since 2006, SpareBank 1 Østlandet has been a member of the SpareBank 1 Alliance, a consortium of 14 SpareBank 1 banks. The financial holding company SpareBank 1 Gruppen AS is collectively owned by SpareBank 1 SR-Bank ASA, SpareBank 1 SMN, SpareBank1 Nord-Norge, SpareBank 1 Østlandet, Samarbeidende Sparebanker AS and the Norwegian Confederation of Trade Unions (Federation of Trade Unions). The alliance also includes joint-product companies (including fund management and life and non-life insurance businesses), and engages in joint marketing and development of common IT and internet platforms.

SpareBank 1 Østlandet can trace its roots back to 1845, to the establishment of the first savings bank in the county of Hedmark, and traded as Sparebanken Hedmark since 1982. In December 2015, Sparebanken Hedmark signed an agreement with the Norwegian Confederation of Trade Unions and banks forming part of the SpareBank 1 Alliance to buy the remaining shares in Bank 1 Oslo Akershus AS (B1OA)¹. After this acquisition, which was completed on 29 June 2016, B1OA became a wholly owned subsidiary of the Sparebanken Hedmark Group. On 1 April 2017, Sparebanken Hedmark and B1OA merged their operations and the entity was named SpareBank 1 Østlandet. Also, in November 2015, the bank converted 60% of its primary capital into equity share capital by issuing equity capital certificates (ECC). At the same time, it established Sparebanken Hedmark Sparebankstiftelse (the foundation). All the bank's ECCs were transferred to the foundation, making it the sole owner of the bank's equity share capital. On 13 June 2017, the bank listed part of its equity share capital on the Oslo Stock Exchange (TICKER: SPOL). As of 30 June 2017, the foundation held 54.13% stake in the bank's equity share capital.

Note: Currency converted at exchange rates of NOK–€0.10426, as of 30 June 2017

Source: Company Reports (annual report Dec 2016, interim report Q2 June 2017, presentation June 2017 and EMTN prospectus May 2017), Company data, www.oanda.com, and Moody's research

Financial Highlights

Note: Currency converted at exchange rates of NOK-€0.10426, as of 30 June 2017

Source: Company Reports (annual report Dec 2016, interim report Q2 June 2017, presentation June 2017 and EMTN prospectus May 2017), Company data, www.oanda.com, and Moody's research

Note: The financials presented below are those reported by the entity and are not adjusted for Moody's analytic purposes. For Moody's generated ratios on SpareBank 1 Østlandet, please see <[SpareBank 1 Østlandet](#) page on moodys.com>.

Exhibit 1

Latest Full-Year Results

SpareBank 1 Østlandet

(in NOK Million)	31-Dec-16	31-Dec-15	31-Dec-14	% Change 16/15	% Change 15/14
NOK/€, Period end	0.11005	0.10452	0.11040	–	–
Total Assets	101,240	55,970	49,934	80.88	12.09
Total Shareholders' Equity	12,107	8,717	7,624	38.89	14.34
Shareholders' Equity excluding Minority Interest	12,060	8,717	7,624	38.35	14.34
Total Capital	12,656	7,179	6,273	76.29	14.44
Tier 1 Ratio (%)	17.9	17.5	15.2	40 bps	230 bps
Net Income	1,100	930	1,040	18.28	(10.58)
Net Income Attributable to Equity Holders	1,095	930	1,038	17.74	(10.40)

Notes: 1) Consolidated figures have been considered.

2) Figures for 2016 are of SpareBank 1 Østlandet (entity formed post merger of Sparebanken Hedmark and Bank 1 Oslo Akershus AS (B1OA), while for 2015 and 2014 figures are of Sparebanken Hedmark.

Source: Moody's research, www.oanda.com

Exhibit 2

Latest First-Half Results

SpareBank 1 Østlandet

(in NOK Million)	30-Jun-17	30-Jun-16	% Change 17/16
NOK/€, Period end	0.10426	0.10686	–
Total Assets	107,652	100,883	6.71
Total Shareholders' Equity	12,591	11,351	10.92
Shareholders' Equity excluding Minority Interest	12,540	11,306	10.91
Total Capital	13,441	9,305	44.45
Tier 1 Ratio (%)	17.6	16.7	90 bps
Net Income	548	396	38.38
Net Income Attributable to Equity Holders	545	394	38.32

Note: Figure for Net Income (2016) is sourced from interim report June 2017.

Source: Company Report (interim report Q2 June 2017), Moody's research, www.oanda.com

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Business Description

As a Norwegian regional savings bank, SpareBank 1 Østlandet provides a range of financial products, including loans, deposit facilities, insurance, pension, payment, leasing, financing, real estate brokerage and accounting services, to customers primarily in the counties of Hedmark, Oppland, Oslo and Akershus. These customers primarily include private individuals, small and medium-size enterprises, and public-sector entities.

The bank operates through the following seven business segments: Personal Market, Corporate Market, SpareBank 1 Finans Østlandet, EiendomsMegler 1 Hedmark Eiendom, EiendomsMegler 1 Oslo Akershus Group, SpareBank 1 Regnskapshuset Østlandet, and Unallocated business. In the first half ended 30 June 2017 (H1 2017), the largest contributor to the bank's net interest income was the Retail Banking segment.

Personal Market: Accounting for 47.1% of the bank's net interest income in H1 2017, this segment comprises retail products and services, including retail deposit-taking, savings accounts, insurance and advisory services. As of 30 June 2017, it reported total consolidated assets of NOK55.2 billion (€5.8 billion).

Corporate Market: This segment comprises corporate products and services, including deposit-taking facilities and business loans. As of 30 June 2017, it reported total consolidated assets of NOK27.5 billion (€2.9 billion), and accounted for 37.5% of the bank's net interest income in H1 2017.

SpareBank 1 Finans Østlandet: This segment comprises the activities of the bank's subsidiary SpareBank 1 Finans Østlandet AS, which offers leasing and financing of movable property like cars and boats. Until 31 December 2015, SpareBank 1 Finans Østlandet AS was a wholly owned subsidiary of Sparebanken Hedmark. However, on 1 January 2016, SpareBank 1 Ringerike Hadeland acquired 5% of the company's total share capital. As of 30 June 2017, this segment reported total consolidated assets of NOK7.0 billion (€725.3 million), and accounted for 15.4% of the bank's net interest income in H1 2017.

EiendomsMegler 1 Hedmark Eiendom: This segment comprises the activities of the bank's wholly owned subsidiary EiendomsMegler 1 Hedmark Eiendom AS, the largest real estate agent in the county of Hedmark. As of 30 June 2017, it reported total consolidated assets of NOK66.0 million (€6.9 million).

SpareBank 1 Regnskapshuset Østlandet: This segment comprises the activities of the bank's wholly owned subsidiary SpareBank 1 Regnskapshuset Østlandet AS (formerly known as Consis AS), a specialist accounting, payroll and consultancy services company. As of 30 June 2017, it reported total consolidated assets of NOK147.0 million (€15.3 million).

EiendomsMegler 1 Oslo Akershus Group: This segment comprises the bank's wholly owned subsidiary EiendomsMegler 1 Oslo Akershus AS, which is an administration and settlement office for the Group's real estate services in the Oslo and Akershus region. The company supports and owns 100% of the real estate agency EiendomsMegler 1 Oslo AS. As of 30 June 2017, it reported total consolidated assets of NOK100.0 million (€10.4 million).

Unallocated Business: This segment, which comprises activities which are not included elsewhere, reported total consolidated assets of NOK17.7 billion (€1.8 billion) as of 30 June 2017.

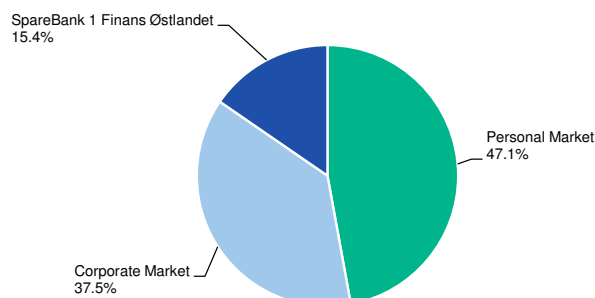
Note: Currency converted using exchange rate of NOK-€0.10426 as of 30 June 2017

Source: Company Reports (interim report June 2017, annual report Dec 2016 and Dec 2012, financial results presentation Dec 2016, EMTN prospectus May 2017), Moody's research, www.oanda.com

Exhibit 3

Business Segment

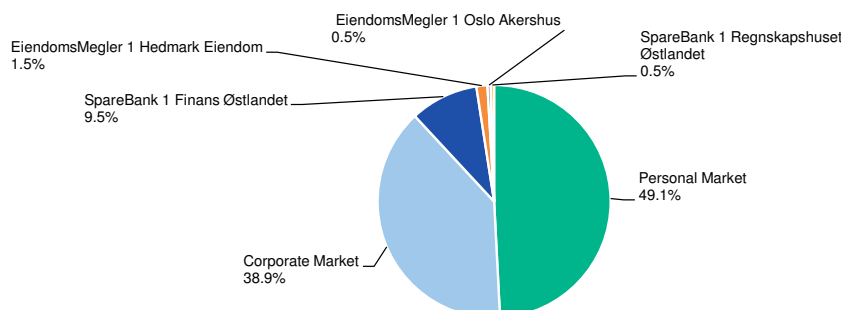
(% of Net Interest Income, consolidated, for H1 2017)



Note: EiendomsMegler 1 Hedmark Eiendom, EiendomsMegler 1 Oslo Akershus Group, SpareBank 1 Regnskapshuset Østlandet and unallocated activities excluded due to their negligible and negative contributions

Source: Company Report (interim report Q2 June 2017, Pg: 17)

Exhibit 4

Profit/(Loss) per Business Segment, for H1 2017

Note: Excluding unallocated activities due to its negative contribution

Source: Company Report (interim report Q2 June 2017, Pg: 17)

Distribution Channels

As of 30 June 2017, SpareBank 1 Østlandet operated through 38 branches in eastern Norway, with offices in Hedmark, Oppland, Akershus and Oslo. In addition, the bank offers its products and services through alternative distribution channels, including online, mobile and telephone banking.

As of 31 December 2016, SpareBank 1 Østlandet was the tenth-largest bank (fourth largest savings bank) in Norway in terms of total consolidated assets. Its comparative position among the largest banks in Norway in terms of consolidated assets was as follows:

Exhibit 5

Comparative Positions of Largest Norwegian Banks, as of 31 December 2016

Assets	(in NOK Million)
1. DNB Bank-konsernet	2,348,272
2. Nordea Bank Norge	669,441
3. Danske Bank	378,800

4. Handelsbanken	234,177
5. SpareBank 1 SR-Bank	193,408
6. Sparebanken Vest	162,752
7. Santander Consumer Bank	142,729
8. SpareBank 1 SMN	138,080
9. Sparebanken Sør	105,455
10. SpareBank 1 Østlandet*	101,240

*Sparebanken Hedmark and Bank 1 Oslo Akershus AS merged with effect from 1 April 2017 and name of the entity is SpareBank 1 Østlandet

Source: Company Reports (interim report Q2 June 2017, presentation June 2017 and annual report Dec 2016), Norwegian Financial Services Association, Moody's research, www.oanda.com

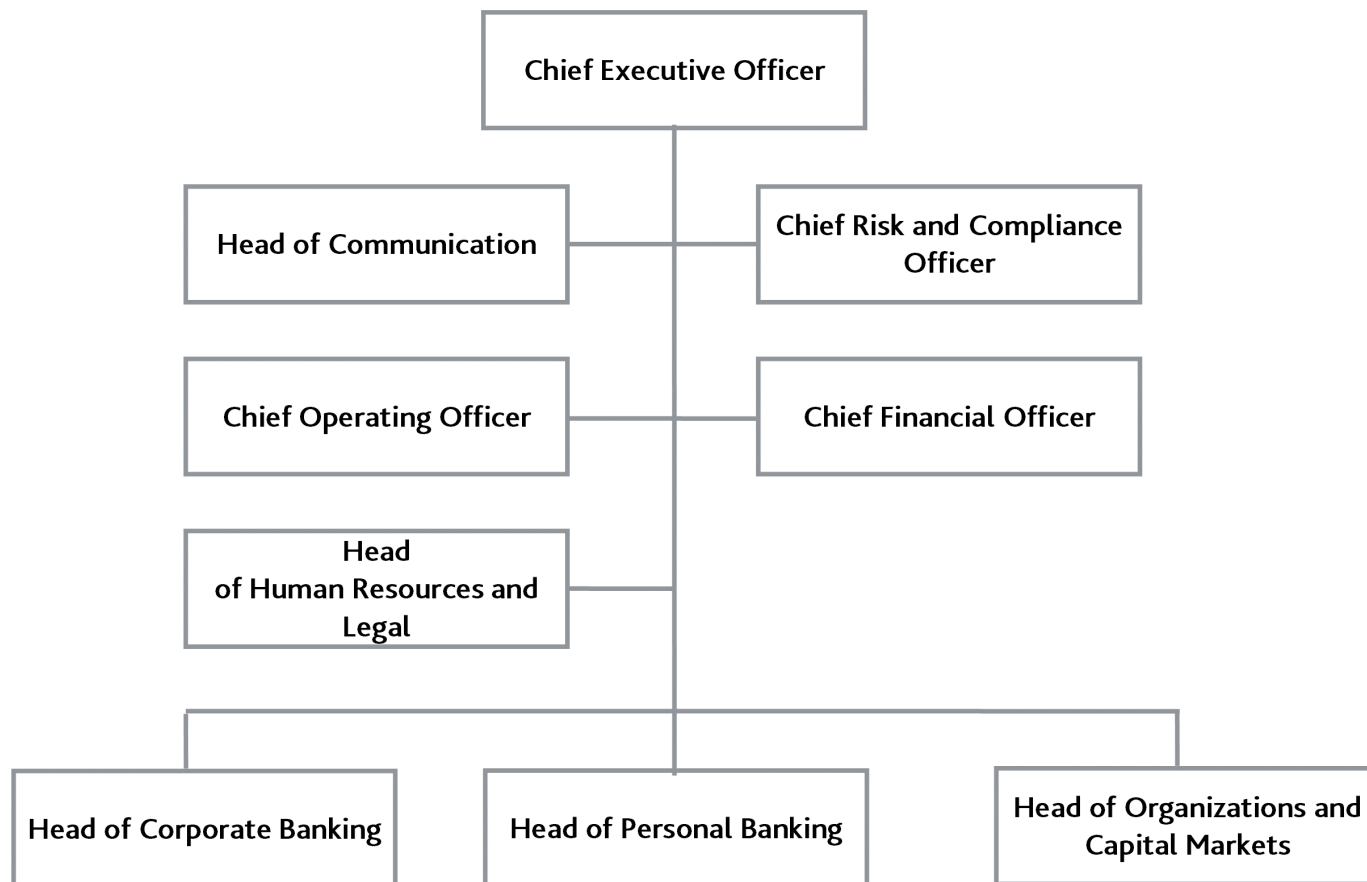
Ownership Structure

Until November 2015, SpareBank 1 Østlandet's capital consisted only of primary capital, which included its retained earnings. In November 2015, following establishment of Sparebanken Hedmark Sparebankstiftelse (the foundation) and conversion of 60% of the bank's primary capital into equity share capital, SpareBank 1 Østlandet became an equity certificate bank owned solely by the foundation. The bank's ECC's were listed on the Oslo Stock Exchange (TICKER: SPOL) on 13 June 2017. As of 30 June 2017, the foundation held 54.13% stake in the bank's equity share capital which consisted of 107,179,987 ECC's with a nominal value of NOK50 (USD5.2) per certificate as of the same date.

Source: Company Report (interim report Q2 June 2017 and EMTN prospectus May 2017), Moody's research

Exhibit 6

Corporate Governance as of 31 December 2016



Source: Company Report (annual report Dec 2016)

Subsidiaries

As of 30 June 2017, the bank's subsidiaries, associates and joint ventures were as follows:

Exhibit 7

SpareBank 1 Østlandet

Company	Location	% Held
Subsidiaries		
EiendomsMegler 1 Hedmark Eiendom AS	Hamar, Norway	100.00
EiendomsMegler 1 Oslo Akershus AS*	Oslo, Norway	100.00
Youngstorget 5 AS	Oslo, Norway	100.00
SpareBank 1 Finans Østlandet AS	Hamar, Norway	95.00
SpareBank 1 Regnskapshuset Østlandet AS	Hamar, Norway	100.00
Vato AS	Hamar, Norway	100.00
Associated Companies		
SpareBank 1 Boligkreditt AS	Stavanger, Norway	20.26
SpareBank 1 Næringskreditt AS	Stavanger, Norway	9.24
SpareBank 1 Kredittkort AS	Trondheim, Norway	19.58
SpareBank 1 Mobilbetaling AS	Oslo, Norway	21.20
KOMM-IN AS	Raufoss, Norway	23.70
Joint Ventures		
Torggt 22 AS	Hamar, Norway	50.00
SpareBank 1 Gruppen AS	Tromsø, Norway	12.40
SpareBank 1 Banksamarbeidet DA	Oslo, Norway	19.04

* Subsidiary of B10A as of 31 March 17. Merger with B10A effective from 1 April 2017

Source: Company Report (EMTN prospectus May 2017)

Company Management

Exhibit 8

SpareBank 1 Østlandet

Company Management	Current Title
Richard Heiberg	Chief Executive Officer
Vidar Nordheim	Chief Risk and Compliance Officer
Geir-Egil Bolstad	Chief Financial Officer
Dag-Arne Hoberg	Head of Innovation and Business Development
Siv Stenseth	Head of Communication
Eldar Kjendlie	Head of Human Resources and Legal
Hans Olav Wedvik	Head of Corporate Banking
Kari Elise Gishås	Head of Personal Banking
Espen Mejlænder-Larsen	Head of Organizations and Capital Markets
Gudrun Michelsen	Chief Operating Officer

As of 29 May 2017

Exhibit 9

SpareBank 1 Østlandet

Board of Directors	Affiliation*	Age**
Siri J. Strømmevold	SpareBank 1 Østlandet: Chair; Nordøsterdalsmuseet: Chair; Tynset Bokhandel AS: Chief Executive Officer and Owner; Feste NordØst AS: Board Member; Nord-Østerdal Kraftlag : Member of Supervisory Board	55
Nina Cecilie Lier	SpareBank 1 Østlandet: Deputy Chair; HK Data AS: Board Member	44
Richard Heiberg	SpareBank 1 Østlandet: Chief Executive Officer	60

Hans-Christian Gabrielsen	SpareBank 1 Østlandet: Member of the Board; Norwegian Federation of Trade Unions (LO): Leader; MARUT: Strategic Advisory Member; World Skills Norway, LO/NHO fondsstyre and LO Partner AS: Board Member; Den faste tvistenemda and Den faste sanksjons nemda: Member	49
Erik Garaas	SpareBank 1 Østlandet: Member of the Board; Stiftelsen Scheibler (Chair), Positron Capital AS (Chair), Banebakken 38 AS (Chair), Solheimsveien 3 AS (Chair), Positron International Direct Investments 2016 AS (Chair), Positron Infrastructure Fund 2017 AS (Chair), BSA Lange Kontrakter AS (Chair) and Verdipapirservice AS: Board Member; Stiftelsen Scheibler: Business Administrator	66
Guro Nina Vestvik	SpareBank 1 Østlandet: Member of the Board; Sparebankstiftelsen Sparebanken Hedmark: Board Member	49
Morten Herud	SpareBank 1 Østlandet: Member of the Board; Sintef Raufoss Manufacturing-Kongsvinger AS: General Manager; Elmico AS (Chair) and Gjøstad gård AS: Board Member	57
Espen Bjørklund Larsen	SpareBank 1 Østlandet: Member of the Board, Employee Representative; SpareBank 1 Gruppen AS and SpareBank 1 Banksamarbeidet DA: Board Member	40
Vibeke Hanvold Larsen	SpareBank 1 Østlandet: Member of the Board, Employee representative	39

**As of 31 Dec 2016

*As of 29 May 2017

As of 8 Aug 2017

Source: Company report (interim report Q2 June 2017 and EMTN prospectus May 2017)

Company History

Sparebanken Østlandet (former Sparebanken Hedmark) originated in 1845, when local granaries, forest commons, municipalities and private individuals established the first savings bank in the Norwegian county of Hedmark. The bank is the result of a succession of mergers involving 22 local savings banks. In 2006, the bank joined the SpareBank 1 Alliance.

Previously, the bank had acquired Vato AS (1981); the real estate firm Hedmark Eiendom AS (1988, renamed EiendomsMegler 1 Hedmark Eiendom AS); the movable property leasing and financing company SpareBank 1 Finans Østlandet AS (1995); the property company Meglereiendom AS (2008); and the accounting services company Consis AS (2011, renamed SpareBank 1 Regnskapshuset Østlandet AS in 2013).

In 2011, Sparebanken Østlandet liquidated its wholly owned subsidiary Meglereiendom AS. Furthermore, in January 2012, the bank sold a 40% stake in its wholly owned subsidiary Consis AS to SpareBank 1 SMN Regnskap AS. At that time, Sparebanken Østlandet acquired the 74.5% stake in Consis Credit AS that had previously been held by Consis AS.

In 2013, Sparebanken Østlandet sold its stake in Consis Credit AS to Conecto AS. During the same year, Sparebanken Østlandet increased its stake in B1OA to 40.5% from 12.0%, becoming the largest owner of B1OA. The bank purchased those shares from SpareBank 1 SR-Bank ASA, SpareBank 1 SMN and SpareBank 1 Nord-Norge.

In the third quarter of 2013, the bank acquired 14.7% of the shares in SpareBank 1 Markets AS. Previously, Sparebanken Østlandet had indirectly owned a 12% stake in Sparebank 1 Markets AS through its stake in SpareBank 1 Gruppen AS. In the fourth quarter of 2013, Sparebanken Østlandet sold 1% of its shares in Sparebank 1 Gruppen to B1OA, as a result its stake in Sparebank 1 Gruppen came down to 11%.

In the first quarter of 2014, the bank sold both its 8.9% stake in SpareBank 1 Verdipapirservice AS and its 9.7% stake in SpareBank 1 Kundesenter to Alliansesamarbeidet SpareBank 1 DA. During the second quarter of 2014, Sparebanken Østlandet increased its stake in SpareBank 1 Markets AS to 16.6% from 14.7%. In the third quarter, it increased its stake in SpareBank 1 Markets AS to 16.8%. In the fourth quarter of 2014, the bank acquired SpareBank 1 SMN's 40% stake in SpareBank 1 Regnskapshuset Østlandet AS, after which it owned all the shares in the company.

During the second quarter of 2015, the bank reclassified its holding in associate SpareBank 1 Markets AS because of reduced ownership to 6.1 % after the merger with SB1 SMN Markets. During the fourth quarter of 2015, Sparebanken Østlandet acquired 12.6% of the

shares in the newly established company SpareBank 1 Mobilbetaling AS. In the same quarter, it wound up the joint venture Oslo Eiendom AS.

In December 2015, the bank agreed with the Norwegian Confederation of Trade Unions (LO) and other SpareBank 1 banks to acquire the remaining shares in B1OA. After this acquisition, which was completed with accounting effect from 29 June 2016, B1OA was a wholly owned subsidiary of the Sparebanken Hedmark Group. On 1 April 2017, Sparebanken Hedmark and B1OA merged their operations and the merged entity was named SpareBank 1 Østlandet.

In May 2015, Sparebanken Østlandet received regulatory approval to issue ECCs equivalent to 60% of its primary capital. In November 2015, the foundation was established with registered equity share capital of NOK3,987,000,000, comprising 79,740,000 ECCs, each with a nominal value of NOK50 and a subscription price of NOK50, which were subsequently transferred to the foundation for free. On 13 June 2017, the bank's equity certificates were listed on the Oslo Stock Exchange (TICKER: SPOL). As of 30 June 2017, the foundation held 54.13% stake in the bank's equity share capital.

Source: Company Reports (EMTN prospectus May 2017, interim report Q2 June 2017, June 2016 and Mar 2016, annual report Dec 2015, Dec 2014, Dec 2013, Dec 2012 and Dec 2011), Moody's research

Peer Group

[Aktia Bank Plc](#)

[Fana Sparebank](#)

[Länsförsäkringar Bank AB \(publ\)](#)

[Ringkjøbing Landbobank AS](#)

[SpareBank 1 Nord-Norge](#)

[SpareBank 1 SMN](#)

[SpareBank 1 SR-Bank ASA](#)

[Sparebanken Møre](#)

[Sparebanken Øst](#)

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[Sparebanken Sør](#)

[Sparebanken Vest](#)

[Spar Nord Bank AS](#)

[Storebrand Bank](#)

[Sydbank AS](#)

Related Websites and Information Sources

For additional information, please see:

The company's website

» [SpareBank 1 Østlandet](#)

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Endnotes

¹ Prior to acquisition, Sparebanken Hedmark owned 40.5% in B1OA

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