Financial targets

- ROE target of 12%
- Dividend of up to 50%
Disclaimer and important notice

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FINANCIAL INFORMATION
This Presentation contains financial information derived from the Bank’s audited consolidated financial statements, as well as the Bank’s un-audited interim financial reports. To obtain complete information of the Bank’s financial position, operational results and cash flow, the financial information in this Presentation must be read in conjunction with the Bank’s audited financial statements.

FURTHER INFORMATION IN AN EEA-PROSPECTUS
In connection with the listing of the new equity capital certificates described herein, an EEA listing prospectus describing inter alia the Bank and the equity capital certificates will be prepared and published. Such prospectus will contain broader and more detailed information on the Bank, the Bank’s business and the equity capital certificates issued by the Bank, as well as assumed relevant risk factors pertaining to an investment in the Bank.

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This Presentation contains information about the markets in which the Bank competes, including market growth, market size and market segment sizes, market share information and information on the Banks competitive position and the competitive position of other market parties. In the absence of exhaustive industry or market reports that cover or address the Bank’s specific markets, the Bank has assembled information about its markets through formal and informal contacts with industry professionals, annual reports of its competitors as well as its own experiences. These estimates have not been verified by independent experts, and there is no guarantee that these estimates are accurate or complete and not misleading.

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This Presentation is subject to Norwegian law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Norwegian courts.
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Low risk and high return on equity

Low complexity

Low risk loan book

Strong return on equity
A bank with low complexity

Corporate Market
- 27% of total loan book
- Loan book NOK 44.9bn
- 12,300 customers
- Diversified portfolio

Retail Market
- 73% of total loan book
- Loan book NOK 123.9bn
- 281,600 customers
- Including Bulder Bank

Frend Forsikring
- 39.7% ownership
- Mainly P&C insurance
- Market share 3.5%
- 21% ROE year to date

Eiendomsmeigler Vest
- 100% ownership
- Real estate broker
- 130 FTEs
- Important for lending

BRAGE
- 49.99% ownership
- Leasing and financing
- Total balance NOK 11.6bn
High quality loan portfolio predominantly consisting of mortgages

Gross lending by customer group

- Retail: 73%
  - Mortgages: 97%
  - Other retail: 3%

- Corporate: 27%
  - Other corporate: 14%
  - Services: 9%
  - Building & Construction: 12%
  - Agriculture & Forestry: 13%
  - Shipping & Offshore: 16%
  - Real estate: 36%

Gross lending by region, 2018

- Hordaland: 67.7%
- Rogaland: 17.4%
- Sogn og Fjordane: 8.1%
- Rest of Norway: 6.5%
- Abroad: 0.3%

Key comments

- Retail lending constitutes 73% of lending, of which 97% are mortgages, making mortgages 71% of total gross loans.
- Real estate, shipping and primary industries are the largest sectors in corporate lending, of which real estate constitutes 36%.
- Hordaland is by far the largest region in Sparebanken Vest’s loan book, and also hosts the second largest city in Norway, Bergen.

Notes: As of 3Q19. 1) Other Corporate consists of: Wholesale & Retail (4%), Energy (4%), Industry (4%), Hotels and Restaurants (1%), Other financial undertakings (0.4%) and Municipal/Public sector (0.05%)
Leading on return on equity

Reported ROE average 2015-2018 compared to peers

<table>
<thead>
<tr>
<th></th>
<th>Peer 1</th>
<th>Peer 2</th>
<th>Peer 3</th>
<th>Peer 4</th>
<th>Peer 5</th>
<th>Peer 6</th>
<th>Peer 7</th>
<th>Peer 8</th>
<th>Peer 9</th>
<th>SVEG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>6.4%</td>
<td>8.9%</td>
<td>9.6%</td>
<td>10.5%</td>
<td>10.8%</td>
<td>10.8%</td>
<td>11.4%</td>
<td>11.7%</td>
<td>11.8%</td>
<td>11.8%</td>
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</tbody>
</table>

Sound ROE over time despite increased capital requirements

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<td>ROE</td>
<td>14.1%</td>
<td>11.7%</td>
<td>13.7%</td>
<td>11.0%</td>
<td>13.1%</td>
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</table>
The savings bank model

About the ECC instrument

ECC banks have two types of equity capital:

- Primary Capital ("ownerless" capital): Retained earnings built up over time
- ECC Holders’ Equity: Equity Certificate Capital and related equity reserves

Main ECC principles are:

- Profits are distributed proportionally on the basis of total share of equity ownership
- Negative profits are mainly absorbed by the Primary Capital
- The Articles of Association predefine the power ECC owners have in governing bodies

Equity structure in ECC banks

- Tier 2 Capital
- Tier 1 Capital
- Equity Certificate Capital
- Premium Reserve
- Compensation Fund
- Equalization Fund
- Savings Bank Fund
- Gift Fund
- Total ECC Capital
- Total Primary Capital
Increasing market cap and liquidity

**The conversion**

- SVEG is converting about NOK 2.4bn of the primary capital to ECCs that will be transferred to a newly established foundation
- Following FSA approval on Oct 29th, the Board of Directors on Oct 31st decided to execute on the authorization given by the general meeting to convert and establish the new foundation
- It is the intention that the foundation will sell a significant share of the new ECCs through a structured process
- The structured process is expected to take place during the fourth quarter, subject to market conditions
- The conversion and sale will increase market cap significantly, improve liquidity and secure broad institutional ownership
- The new ECCs are entitled to their share of earnings from 1.1.2019 and also dividends in line with existing ECCs

**Increased ECC capital**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Equity (NOKbn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>10.7</td>
</tr>
<tr>
<td>Pro forma 2018</td>
<td>8.3</td>
</tr>
</tbody>
</table>

**Notes:** 1) As of and pro forma 31.12.2018 after dividends and donations payable in 2019
Profit allocation 2018 - with customer dividend and new owner fraction

Basis for dividend
NOK 1.516m

Equity certificate holders
NOK 606m
- Dividend
  NOK 247m
- Equalisation reserve
  NOK 360m

Primary capital
NOK 910m
- Donations/Customer dividend
  NOK 370m
- Primary capital
  NOK 539m

Distribution percentage of 40.7% for equity certificate holders and donations.

*Pro forma illustration
Significant value creation to ECC owners

- Leading on ROE - 12% target
- At the forefront of the digital transformation
- Strong ESG focus
- Attractive dividend policy
- Introduction of customer dividends
- Increasing market cap and liquidity
<table>
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<th>Section</th>
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<tbody>
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</table>
Sparebanken Vest and the home market

The third largest Norwegian Savings bank

- Established in 1823 and listed on Oslo Stock Exchange since 1995
- Head office in Bergen. 33 branches. 727 FTEs
- Diversified product offering. Main Shareholder in Frende (insurance) and Brage (leasing)
- Several new digital initiatives, such as the first pure mobile bank in Norway, Bulder Bank
- More than NOK 199bn in total assets, and approximately 282’ retail and 13’ corporate customers
- 73% share of lending to retail customers
- Long-term ROE target of 12%

Home market

- Approximately 1.1 million people, or 21% of Norway’s population, accounting for 19% of Norwegian GDP
- Bergen and Stavanger are the 2nd and 3rd largest urban regions in Norway
- Main business areas: Aquaculture & fishery, oil & gas, public services and other industry
- Expanding retail lending to a national level with Bulder Bank

Market areas

Market shares¹

Sogn og Fjordane
19.6%

Hordaland
29.7%

Rogaland
6.7%

Notes: 1) Market share in the retail market
Sources: Statistics Norway (SSB) and EarlyWarning
Key operations and associated companies

Sparebanken Vest

Retail banking
Sparebanken Vest offers traditional banking and financing services to retail clients. Mortgages is the main product.

Covered bonds
Sparebanken Vest Boligkreditt formed in 2008 for the purpose of managing high quality mortgage loans and issue covered bonds backed by the mortgage loans.

Corporate banking
Sparebanken Vest offers traditional banking and financing services to corporate clients. Real estate, shipping and offshore, and agriculture and forestry are the largest sectors.

Real estate agency
Eiendomsmegler Vest is a leading player in Sparebanken Vest’s home market. The agency has 22 offices, most of them collocated with Sparebanken Vest.

Mobile banking

Associated companies

Frende Forsikring
39.7%
Offers various insurance products to both retail and corporate customers.

Brage Finans
49.9%
Offers leasing and loans secured by purchased assets to corporate and retail customers.

Norne Securities
47.6%
Securities firm offering investment services to corporate and retail clients.
Sparebanken Vest has a substantial footprint in its home market\(^1\)

### Retail market shares

- **Customers**: 23%
- **Loans**: 18%
- **Deposits**: 18%
- **Savings & Investments**: 20%

### Corporate market shares

- **Loans**: 13%
- **Deposits**: 17%
- **Savings & Investments**: 10%

Notes: 1) Counties Hordaland, Rogaland og Sogn og Fjordane. Sources: Statistics Norway SSB and EarlyWarning
Positive macro picture

Low unemployment

Housing prices have stabilized

Improving West Coast Index

Low unemployment in Norway

And solid GDP growth over time

Norway has room for fiscal policy

Notes: 1) NAV government registered unemployment 12-month average. 2) Housing prices, SA, Eiendom Norge, indexed from 2006. 3) Activity index for Western Norway from Sparebanken Vest and Repsons Analyse. 4) Unemployment LFS per country. 5) GDP indexed to 100 from 2006. 6) IMF estimates of net government debt and fiscal balances.
A vibrant and thriving home market

**Hordaland**
- Original home market and location of head office, including Norway’s second largest city, Bergen
- Offshore & maritime, tourism, financial and media are the largest business segments

<table>
<thead>
<tr>
<th>Share of GDP</th>
<th>8.8%</th>
<th>9.7%</th>
</tr>
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<tbody>
<tr>
<td>% of Norway empl.</td>
<td></td>
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</table>

| SVEG market share | 29.7% | 67.7% |
| SVEG loan book |       |       |

**Rogaland**
- Significant potential for growth for SVEG. A large region still with a modest market share
- Home of Norway’s fourth largest city, Stavanger
- Offshore & maritime, tourism are the largest business segments

<table>
<thead>
<tr>
<th>Share of Norwegian GDP (% of Norway empl.)</th>
<th>8.9%</th>
<th>9.1%</th>
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<tbody>
<tr>
<td>Share of Norwegian GDP (% of Norway empl.)</td>
<td>1.6%</td>
<td>2.1%</td>
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</tbody>
</table>

| SVEG market share | 6.7% | 17.4% |
| SVEG loan book |       |       |

**Sogn & Fjordane**
- Less populated county and a dispersed population in smaller cities
- Tourism, fishery, processing and agriculture are the largest business segments

<table>
<thead>
<tr>
<th>Share of Norwegian GDP (% of Norway empl.)</th>
<th>19.6%</th>
<th>8.1%</th>
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<tr>
<td>SVEG market share</td>
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<tr>
<td>SVEG loan book</td>
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</tbody>
</table>

Employment by sector:
- **Health, educ. & other public**
- **Wholesale & Retail**
- **Construction**
- **Manufacturing**
- **Other**

**Sources:** Statistics Norway (SSB)
A challenger with long traditions

1823
Humble beginnings
Bergen Sparebank is established with the intention to improve life for the less fortunate

1864
Consolidation
Including Bergen Sparebank, 28 local savings banks on the west coast of Norway join forces in the 25 year period

1982
Sparebanken Vest
Sparebanken Vest is created, as a result of consolidation of many local savings banks in the region

1989
ECC listed
Sparebanken Vest is listed on Oslo Stock Exchange under the ticker SVEG

1995
Mobile bank
Norway’s first pure mobile bank concept, Bulder Bank, is established, and launched the following year

1995
Increased market cap
Parts of the primary capital will be converted to ECCs, to increase market capitalization and liquidity

2018
Customer dividend
Sparebanken Vest introduces customer dividend, and starts sharing profit with its customers

2019
Jan Erik Kjerpeseth | Chief Executive Officer
CEO since October 2013. He joined Sparebanken Vest in 1999, and previously held the position as Deputy Managing Director. He is a graduate in marketing from the Norwegian School of Marketing and holds an MBA from Heriot-Watt University and an Executive MBA in Brand Management from the Norwegian School of Economics (NHH).

Frank H. Bjørndal | EVP Retail Market
Executive Vice President Retail Market since February 2017, and employee at Sparebanken Vest since 1985. Extensive management experience from various management positions within the retail market at Sparebanken Vest. Board member of Sparebanken Vest Boligkreditt AS. Education from BI Norwegian Business School.

Ragnhild Janbu Fresvik | EVP Corporate Market
Executive Vice President Corporate Market since 2013, and joined the bank in 2012. At Sparebanken Vest, she has been a senior business developer, Head of Investor relations and CFO. Consulting and finance experience from Boston Consulting Group and Borea Opportunity Management. Master’s degree from Norwegian School of Economics.

Tina Ødegård | EVP Organization and Development
Head of Organisation and Development since 2017. She joined the Bank in September 2017. Extensive experience of culture building and organisational development from various sectors, including oil and finance, transport, shipping and technology. She holds a cand.polit. degree from NTNU, majoring in organisational psychology.

Frank Johannesen | EVP / Chief Financial Officer
Executive Vice President / Chief Financial Officer since Sep. 2019, and an employee of the bank since 1985. Previously Chief Risk Officer, Head of Economy and Finance / CFO, Head of Retail Market and Head of Corporate Market. Has a law degree from the University of Bergen and an Executive MBA from the NHH.

Jan-Ståle Hatlebakk | EVP / Chief Risk Officer
EVP / CRO since September 2019. Previously Credit Risk Director since he joined the bank in 2015. Extensive experience from the risk advisory business at PwC and corporate banking business at Handelsbanken, where he held a management position. He is an authorized financial analyst and holds a master’s degree from NHH.

Bjørg Marit Eknes | EVP Innovation and Customer Experience
Executive Vice President Innovation and Customer Experience since 2017, and previously Head of Retail Market. Broad management experience since joining Sparebanken Vest in 1997. Master’s degree and MBA from the Norwegian School of Economics, and MBA from Bond University in Australia.

Siren Sundland | EVP Operational Services
Executive Vice President Operational Services since 2015, and joined the bank in 2007. Previously Director of HR and Corporate Communication. Worked in the field of brand management and strategic communication for a number of companies in Western Norway. Education form the University of Bergen and NHH.
Board of directors

Arild Bødal | Chair
Board member since 2011, and Chair from March 2019. Owner and co-founder, as well as CEO of Septic24 group from 1997-2015. Board experience from several other companies. Authorized accountant from BI, and holds relevant education from NHH, NTNU and Heriot-Watt Uni.

Agnethe Brekke | Member
Board member since August 2019. CFO in G2 Ocean AS. Former Regional Finance Manager at DOF Subsea, and further experience from Odfjell Drilling and as accountant in PWC. Former board member at Tysnes Sparebank. Authorized accountant from NHH

Gunnar Skeie | Member
Board member since March 2016. General Manager of Sparebankstiftininga Hardanger. Former lawyer and partner of law firm Adbokatene Kvåle og Skeie ANS. Previously held the positions as head of the control committee and board member of Eiendomskreditt AS

Richard Rettedal | Member
Member of the board since 2008. CFO of Trolltunga Robotics. Working Chairman of Minter Markets AS and Klikk INT AS. MBA in finance from the University of Wisconsin - Madison, and former education from Florida International University and the University of Stavanger

Birthe Kleppe Kåfjord Lange | Member
Member of the board since 2012. Associate professor in Management at Kristiania University College and Adjunct Associate professor at NHH. Former Director of NHH Executive, and holds a PhD and degree studies from NHH, as well as a degree from the University of Bergen

Magne Morken | Deputy Chair
Deputy Chair since Aug 2019, and Member since Mar 2017. Currently manages his own investment and consultancy firm. Former CEO of Hansa Tankers Management AS, Managing Director of Solvang ASA and Senior Vice President at Nordea. Master’s degree from NHH

Marianne Dorthea Jacobsen | Member
Member of the board since March 2017. CEO of Knowit Experience Bergen. Customer advisor in Sparebanken Vest from 2004-2005. MBA in strategic management from NHH. Education from Queensland University of Technology and Leeds Metropolitan University previously

Fred David Vatland Risløw | Member
Member of the Board since 2016 as an employee representative. He has worked for Sparebanken Vest since 2007. Risløw is an authorised financial adviser, and holds a bachelor’s degree in economics from Sogn og Fjordane University College in Sogndal

Kristin Røyrbrotten Axelsen | Member
Member of the board since 2013 as an employee representative. Joined Sparebanken Vest in 2007, and has worked within banking since 1984. Authorised financial adviser. Bachelor’s degree in banking and finance from BI Norwegian Business School/the Bank Academy

Anne-Marit Hope | Member
Member of the board since 2010 as an employee representative. Chief employee representative for the Financial Sector Union of Norway. Worked for Sparebanken Vest since 1977. Qualified financial adviser from BI Norwegian Business School.

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Member of the board since 2010 as an employee representative. Chief employee representative for the Financial Sector Union of Norway. Worked for Sparebanken Vest since 1977. Qualified financial adviser from BI Norwegian Business School.
## Vision
Everything we do, we do to make life in Western Norway even better

## Strategic goals: Norway’s best savings bank

**Financial target:** One of the top two banks in terms of return on equity

**Value proposition:** Personal signature, simple digital services and social commitment

### Outstanding home purchases

**MWB**

### Clear signature! “Walking the talk”

**MWB**

### The pursuit of cost discipline

**MWB**

Notes: MWB = Must win battles
How we will become Norway’s best savings bank

Customers
Among the best in terms of customer satisfaction (personal signature, simple digital services and social commitment)

Society
Strongest social commitment to Western Norway

Equity certificate holders
One of the top two with respect to ROE

Employees
The most exciting place to work for those who want to develop their personal and professional competence
Investing in business culture is paying off - What we have achieved:

- An ambitious organisational culture
- Top performer on ROE
- At the forefront of the digital transformation

“Our goal is to continuously focus on Best Practice and to use literature to improve management behaviour in Sparebanken Vest.”
Flat costs and shift in cost structure

Cost development for the past six years, in the parent bank¹

Cost development YTD 2018 to 2019, excl. Bulder Bank, in the parent bank²

Quarterly Cost/Income for the group

Key comments

• The nominal cost level has decreased since 2012 as a result of branch and FTE reduction, productivity growth and smarter day to day choices

• The cost/income ratio for the group was 36.3% in 3Q19, compared to 38.6% and 40.0% in Q3 in the two previous years. Ex. gains on financial instruments, the cost/income ratio was 35.2% in 3Q19

• Direct costs related to the development of Bulder Bank amounted to NOK 24m as of 30.09.2019

Notes: 1) IT-costs are the total costs to the IT department in the parent bank, including personnel costs, external fees, ICT costs and other costs related to the IT department. 2) Costs for the parent bank, excluding costs directly linked to Bulder Bank (NOK 24m)
Sparebanken Vest is at the forefront of the digital transformation

- 91% of Norwegians use online banking services
- 150 of 700 in-house employees with responsibility for development and innovation
- 4.6/5.0 Mobile banking solution ranked no 1 in Norway
- First to launch ‘mobile only’ challenger bank
The best digital product experience in Norway across industries

The study
Bearing Points annual study of 75 Norwegian companies across different industries. 13 Norwegian banks among the participants, with Sparebanken Vest for the first time

Sparebanken Vest
“Sparebanken Vest scores outstanding on functionality and design, offers engaging content and has a well-functioning mobile application”

- Bearing Point Digital Leaders in 2020 report

Criteria in category
• Functionality and design
• Content and company information
• Product and store information
• Mobile optimized web pages
• Mobile applications

Scoring

<table>
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<th>Score</th>
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<td>Danske Bank</td>
<td>3,8</td>
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<tr>
<td>Average</td>
<td>3,2</td>
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</table>

Sources: “Digitale ledere i Norge 2020”, Bearing Point November 6th 2019
The number of users of the mobile bank has bypassed the number of users of the online bank.

The mobile bank had five times as many visits as the online bank in September 2019.

The mobile bank app was updated 20 August to display spending on consumption categories.

Hard work pays off – Sparebanken Vest has been rated top 2 in Kantar’s annual award of best customer service for the last two years.

Key comments

Customer's ratings of mobile banks:

<table>
<thead>
<tr>
<th>Bank</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sparebanken Vest</td>
<td>4,6</td>
</tr>
<tr>
<td>SpareBank 1</td>
<td>4,6</td>
</tr>
<tr>
<td>Nordea</td>
<td>3,9</td>
</tr>
<tr>
<td>SPBK Sogn og Fjordane</td>
<td>3,7</td>
</tr>
<tr>
<td>Sbanken</td>
<td>3,3</td>
</tr>
<tr>
<td>Handelsbanken</td>
<td>3,1</td>
</tr>
<tr>
<td>DNB</td>
<td>2,9</td>
</tr>
<tr>
<td>Danske Bank</td>
<td>2,0</td>
</tr>
</tbody>
</table>

Notes: 1) Average of customer ratings in App Store and Google Play as of October 18th 2019.
Always innovating – Now we are visualising our customers financials
Bulder Bank – Redefining banking

Strong strategic rationale

1. Upscale nationally to an attractive mobile phone platform
2. Potential for significant value creation
3. Significant development synergies

Key comments

• Bulder Bank is an innovative banking concept designed for customers who appreciate swift and transparent digital solutions
• Scalable platform with potential for significant value creation
• Bulder is Norway’s first fully mobile banking solution
• Full-scale launch was in October 2019

Redefining banking – starting with home mortgages

Targets for end of 2021

- Loan: NOK 20bn
- ROE: 12%
Three strategic initiatives for the road ahead

**Society**
Front runner in the change towards a more sustainable economy

**Customers**
Increased customer value through customer dividends in addition to donations

**Equity certificate holders**
Increase market capitalization and liquidity to make SVEG even more attractive
# Strong focus on ESG

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Reducing carbon footprint</td>
<td>We are committed to reduce our own carbon footprint with 30% by 2020 and with 50% by 2025. In 2018 our carbon footprint was measured to be 293 tons CO(_2) – by 2025 we aim for no higher than 147 tons CO(_2)</td>
</tr>
<tr>
<td>2</td>
<td>Strict requirement to suppliers</td>
<td>By end 2020 Sparebanken Vest requires all significant suppliers to be climate neutral</td>
</tr>
<tr>
<td>3</td>
<td>Review of loan portfolio</td>
<td>We measure the carbon footprint of our existing portfolio, starting with almost 70% of the bank’s corporate market portfolio. This will be an important tool for understanding and reducing climate risk in the existing portfolio</td>
</tr>
<tr>
<td>4</td>
<td>Issuance of green bonds</td>
<td>NOK 22bn already qualified for issuance of green bonds, where of:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ NOK 18bn residential buildings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ NOK 2bn commercial buildings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ NOK 2bn hydropower</td>
</tr>
<tr>
<td>5</td>
<td>Green sponsorships/donations</td>
<td>NOK 200m until year-end 2020 for projects that promote sustainability, new green technology and green restructuring</td>
</tr>
</tbody>
</table>

Notes: 1) Cemasys climate accounting report
Key comments

- Sparebanken has an opportunity to distribute part of its profit as customer dividends
- The customer dividend is in line with the fundamental values of a savings bank
- The customer dividend is paid out directly to each customer, and depends on the bank’s profit and the level of the customer’s own deposits and loans
- It applies to all customers: retail customers, corporate customers, associations and clubs
- Customers can receive dividend on loans up to NOK 2 million and on deposits up to NOK 2 million
- Based on 2018 figures, the customer dividend corresponds to 0.20% better loan/deposit terms
- The goal is to introduce the new model with effect from and including the 2019 financial year, with payments starting in 2020
- We will continue to make donations for the public benefit, and there will be no change in distribution percentage for equity certificates
<table>
<thead>
<tr>
<th></th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Background</td>
</tr>
<tr>
<td>2</td>
<td>Sparebanken Vest at a glance</td>
</tr>
<tr>
<td>3</td>
<td>The “Sparebanken Vest formula”</td>
</tr>
<tr>
<td>4</td>
<td>Financial highlights</td>
</tr>
<tr>
<td>5</td>
<td>Loan portfolio overview and quality</td>
</tr>
<tr>
<td>6</td>
<td>Capital, liquidity and funding</td>
</tr>
<tr>
<td>7</td>
<td>Dividend policy and growth</td>
</tr>
<tr>
<td>8</td>
<td>Summary and long-term ambitions</td>
</tr>
</tbody>
</table>
Strong financial track record

**Increasing interest income**

<table>
<thead>
<tr>
<th>Year</th>
<th>Interest income</th>
<th>NOKm</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2,320</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>2,354</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>2,399</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>2,565</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>2,716</td>
<td></td>
</tr>
<tr>
<td>YTD19</td>
<td>2,285</td>
<td></td>
</tr>
</tbody>
</table>

**Other income keeping the pace**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net commission income</th>
<th>Other operating income</th>
<th>Associated companies</th>
<th>Share of income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>662</td>
<td>677</td>
<td>720</td>
<td>769</td>
</tr>
<tr>
<td>2015</td>
<td>677</td>
<td>720</td>
<td>769</td>
<td>775</td>
</tr>
<tr>
<td>2016</td>
<td>720</td>
<td>769</td>
<td>775</td>
<td>668</td>
</tr>
<tr>
<td>2017</td>
<td>769</td>
<td>775</td>
<td>668</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>775</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YTD19</td>
<td>668</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Solid and increasing return on equity**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Profit</th>
<th>ROE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2,320</td>
<td>1.68%</td>
</tr>
<tr>
<td>2015</td>
<td>2,354</td>
<td>1.55%</td>
</tr>
<tr>
<td>2016</td>
<td>2,399</td>
<td>1.47%</td>
</tr>
<tr>
<td>2017</td>
<td>2,565</td>
<td>1.50%</td>
</tr>
<tr>
<td>2018</td>
<td>2,716</td>
<td>1.46%</td>
</tr>
<tr>
<td>YTD19</td>
<td>2,285</td>
<td>1.53%</td>
</tr>
</tbody>
</table>

**Increasing cost efficiency**

<table>
<thead>
<tr>
<th>Year</th>
<th>Opex</th>
<th>Cost/Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1,470</td>
<td>45.5%</td>
</tr>
<tr>
<td>2015</td>
<td>1,443</td>
<td>48.9%</td>
</tr>
<tr>
<td>2016</td>
<td>1,270</td>
<td>39.7%</td>
</tr>
<tr>
<td>2017</td>
<td>1,450</td>
<td>44.2%</td>
</tr>
<tr>
<td>2018</td>
<td>1,497</td>
<td>41.6%</td>
</tr>
<tr>
<td>YTD19</td>
<td>1,115</td>
<td>36.5%</td>
</tr>
</tbody>
</table>

**Close to zero loan losses**

<table>
<thead>
<tr>
<th>Year</th>
<th>Loan losses</th>
<th>Loan loss ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>410</td>
<td>0.35%</td>
</tr>
<tr>
<td>2015</td>
<td>185</td>
<td>0.15%</td>
</tr>
<tr>
<td>2016</td>
<td>39</td>
<td>0.03%</td>
</tr>
<tr>
<td>2017</td>
<td>33</td>
<td>0.02%</td>
</tr>
<tr>
<td>2018</td>
<td>6</td>
<td>0.00%</td>
</tr>
<tr>
<td>YTD19</td>
<td>16</td>
<td>0.01%</td>
</tr>
</tbody>
</table>

**Key comments**

- Solid return on equity through a period of macro distress following the oil price fall in 2014-2015
- Improving cost efficiency, as costs are flat while income and the lending book is growing
- Very low loan losses, close to zero since 2015, and quite low in 2014-2015 as well

Notes: 1) Includes Guarantee commissions, payment transfer fees, insurance income, savings & investment products, income from associated companies, brokerage commissions, etc. Income from gains/losses on financial instruments is not included.
Key balance sheet figures: Healthy growth and well capitalized

Steady growth in lending

- 7.2% CAGR in lending from 2014 to 3Q19, with growth every year in both retail and corporate lending

Diversified funding base

- Diversified funding, with predominantly deposits and covered bonds

Increased capital adequacy

- Well capitalized at 14.7% CET-1 ratio

Key comments

- 7.2% CAGR in lending from 2014 to 3Q19, with growth every year in both retail and corporate lending
- Diversified funding, with predominantly deposits and covered bonds
- Well capitalized at 14.7% CET-1 ratio
Strong profitability

**Best in class on ROE**

- Average (2015-2018)
  - Peer 1: 6.4%
  - Peer 2: 8.9%
  - Peer 3: 9.6%
  - Peer 4: 10.5%
  - Peer 5: 10.8%
  - Peer 6: 10.8%
  - Peer 7: 11.4%
  - Peer 8: 1.7%
  - Peer 9: 11.8%
  - SVEG: 11.8%

**Strong ROE despite higher CET1 ratio**

- 2012: 10.6%
- 2013: 14.0%
- 2014: 14.7%
- 2015: 13.7%
- 2016: 14.9%
- 2017: 15.0%
- 2018: 14.9%
- YTD19: 14.7%

**Increasing volume in both segments**

- Lending to retail: 2012 - 2018: 28, 28, 28, 32, 32, 36, 39, 45

**Long history of consecutive profits**

- Pre-tax profit (NOKm)

**Low losses compared to peers**

- 2012: 1.7%
- 2013: 11.8%
- 2014: 11.8%
- 2015: 5%
- 2016: 6%
- 2017: 6%
- 2018: 6%
- YTD19: 6%

**Key comments**

- Delivering on the goal of being among the top two banks with respect to ROE
- Average ROE from 2012 to date of 12.6%
- For the three first quarters of 2019, lending margins have been 1.49% and 2.83% for retail and corporate loans, respectively. Deposit margins have been 0.52% for the retail segment, and 0.56% for the corporate segment
- Low losses over time due to good credit work
- Profitability, stability and capitalization support competitive dividend policy

Sources: Norges Bank, Sparebank1 Markets, Factset
Strong YTD profit contribution from affiliates

• Considerably better earnings YTD 2019, with 22% ROE
• Frende Skadeforsikring (NOK171.4m pre-tax profit): General insurance, YTD combined ratio of 97.7%. Except from in 2018, the combined ratio has been well below 100% over the period
• Frende Livsforsikring (NOK116.0m pre-tax profit): Life insurance with only defined contribution
• Sparebanken Vest is the largest shareholder in Frende Forsikring and the 39.72% ownership has been unchanged over the period

Frende Holding (39.72%)*

Brage Finans (49.99%)

• Lending volume of NOK 11.3bn
• Growth in lending of NOK 2.8bn past 12 months
• Solid top-line growth, with 48% growth in net interest income over the past 12 months
• 8.6% ROE YTD in 2019 and 9.5% in Q3 2019
• Sparebanken Vest is the biggest shareholder in Brage Finans. The ownership stake increased from 49.90% to 49.99% in 2018

Notes) *The relatively weak performance in 2018 is explained by higher claims costs and a challenging financial market throughout the year
3Q results review: Strong performance

**Increasing interest income**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>NOK/m</th>
<th>Net interest income</th>
<th>Net interest income margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q18</td>
<td>692</td>
<td>1.47%</td>
<td></td>
</tr>
<tr>
<td>4Q18</td>
<td>719</td>
<td>1.51%</td>
<td></td>
</tr>
<tr>
<td>1Q19</td>
<td>724</td>
<td>1.50%</td>
<td></td>
</tr>
<tr>
<td>2Q19</td>
<td>753</td>
<td>1.51%</td>
<td></td>
</tr>
<tr>
<td>3Q19</td>
<td>808</td>
<td>1.57%</td>
<td></td>
</tr>
</tbody>
</table>

**Very strong return on equity**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Reported ROE</th>
<th>Adjusted ROE*</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q18</td>
<td>11.7%</td>
<td>18.0%</td>
</tr>
<tr>
<td>4Q18</td>
<td>10.9%</td>
<td>14.1%</td>
</tr>
<tr>
<td>1Q19</td>
<td>11.3%</td>
<td>12.7%</td>
</tr>
<tr>
<td>2Q19</td>
<td></td>
<td>12.7%</td>
</tr>
<tr>
<td>3Q19</td>
<td></td>
<td>12.7%</td>
</tr>
</tbody>
</table>

**Profit per equity certificate**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>NOK</th>
<th>Profit per ECC</th>
<th>Profit per ECC adjusted*</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q18</td>
<td>1.51</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4Q18</td>
<td>1.46</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1Q19</td>
<td>1.48</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2Q19</td>
<td>1.89</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3Q19</td>
<td>1.80</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Close to no loan losses**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>NOK/m</th>
<th>Loan loss</th>
<th>Loan loss (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q18</td>
<td>40</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>4Q18</td>
<td></td>
<td>-0.1%</td>
<td></td>
</tr>
<tr>
<td>1Q19</td>
<td></td>
<td>0.02%</td>
<td></td>
</tr>
<tr>
<td>2Q19</td>
<td></td>
<td></td>
<td>0.07%</td>
</tr>
<tr>
<td>3Q19</td>
<td></td>
<td></td>
<td>0.07%</td>
</tr>
</tbody>
</table>

**Book value per equity certificate**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>NOK</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q18</td>
<td>52.2</td>
</tr>
<tr>
<td>4Q18</td>
<td>53.8</td>
</tr>
<tr>
<td>1Q19</td>
<td>52.7</td>
</tr>
<tr>
<td>2Q19</td>
<td>55.1</td>
</tr>
<tr>
<td>3Q19</td>
<td>56.9</td>
</tr>
</tbody>
</table>

**Key comments**

- Very strong quarter for Sparebanken Vest, with ROE at 12.7%
- A positive development in the net interest income margin contributed to the strong result
- Strong cost development and low losses

Note) * A one-off gain of NOK 141m relating to the acquisition of the remaining 66% of the shares in Jonsvollskvartalet AS was taken to income in 2Q 2019
## Detailed financial figures – Group level

### Income statement

<table>
<thead>
<tr>
<th>NOKm</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>1Q-3Q18</th>
<th>1Q-3Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>4 272</td>
<td>4 378</td>
<td>4 728</td>
<td>3 462</td>
<td>4 226</td>
</tr>
<tr>
<td>Interest expenses and similar expenses</td>
<td>1 873</td>
<td>1 813</td>
<td>2 012</td>
<td>1 464</td>
<td>1 941</td>
</tr>
<tr>
<td><strong>Net interest and credit commission</strong></td>
<td><strong>2 399</strong></td>
<td><strong>2 565</strong></td>
<td><strong>2 716</strong></td>
<td><strong>1 997</strong></td>
<td><strong>2 285</strong></td>
</tr>
<tr>
<td>Net commission income</td>
<td>415</td>
<td>443</td>
<td>480</td>
<td>345</td>
<td>344</td>
</tr>
<tr>
<td>Income from ownership interests in associates</td>
<td>113</td>
<td>120</td>
<td>85</td>
<td>72</td>
<td>121</td>
</tr>
<tr>
<td>Net gain/(loss) on financial instruments</td>
<td>123</td>
<td>-7</td>
<td>165</td>
<td>144</td>
<td>147</td>
</tr>
<tr>
<td>Other operating income</td>
<td>192</td>
<td>206</td>
<td>210</td>
<td>164</td>
<td>204</td>
</tr>
<tr>
<td><strong>Net other operating income</strong></td>
<td><strong>843</strong></td>
<td><strong>761</strong></td>
<td><strong>940</strong></td>
<td><strong>726</strong></td>
<td><strong>815</strong></td>
</tr>
<tr>
<td>Payroll and general administration expenses</td>
<td>894</td>
<td>1 072</td>
<td>1 109</td>
<td>814</td>
<td>858</td>
</tr>
<tr>
<td>Depreciation</td>
<td>121</td>
<td>128</td>
<td>135</td>
<td>99</td>
<td>149</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>255</td>
<td>250</td>
<td>252</td>
<td>181</td>
<td>109</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>1 270</strong></td>
<td><strong>1 450</strong></td>
<td><strong>1 497</strong></td>
<td><strong>1 095</strong></td>
<td><strong>1 115</strong></td>
</tr>
<tr>
<td><strong>Profit before write-downs and tax</strong></td>
<td><strong>1 972</strong></td>
<td><strong>1 877</strong></td>
<td><strong>2 159</strong></td>
<td><strong>1 629</strong></td>
<td><strong>1 985</strong></td>
</tr>
<tr>
<td>Write-downs on loans and guarantees</td>
<td>16</td>
<td>33</td>
<td>6</td>
<td>6</td>
<td>16</td>
</tr>
<tr>
<td><strong>Pre-tax profit</strong></td>
<td><strong>1 956</strong></td>
<td><strong>1 844</strong></td>
<td><strong>2 153</strong></td>
<td><strong>1 622</strong></td>
<td><strong>1 970</strong></td>
</tr>
<tr>
<td>Tax</td>
<td>435</td>
<td>427</td>
<td>492</td>
<td>366</td>
<td>396</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td><strong>1 521</strong></td>
<td><strong>1 416</strong></td>
<td><strong>1 660</strong></td>
<td><strong>1 257</strong></td>
<td><strong>1 574</strong></td>
</tr>
</tbody>
</table>

### Balance sheet

<table>
<thead>
<tr>
<th>NOKm</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>3Q18</th>
<th>3Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and central bank funds</td>
<td>658</td>
<td>685</td>
<td>563</td>
<td>584</td>
<td>356</td>
</tr>
<tr>
<td>Loans to credit institutions</td>
<td>1 331</td>
<td>1 588</td>
<td>1 270</td>
<td>1 299</td>
<td>1 105</td>
</tr>
<tr>
<td>Net lendings</td>
<td>136 099</td>
<td>147 073</td>
<td>159 043</td>
<td>155 169</td>
<td>168 172</td>
</tr>
<tr>
<td>Commercial papers and bonds</td>
<td>18 996</td>
<td>19 191</td>
<td>22 166</td>
<td>18 424</td>
<td>21 196</td>
</tr>
<tr>
<td>Associated companies</td>
<td>863</td>
<td>1 022</td>
<td>1 346</td>
<td>1 333</td>
<td>1 588</td>
</tr>
<tr>
<td>Other assets</td>
<td>4 805</td>
<td>6 351</td>
<td>4 988</td>
<td>3 157</td>
<td>6 698</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>162 752</strong></td>
<td><strong>175 910</strong></td>
<td><strong>189 376</strong></td>
<td><strong>179 966</strong></td>
<td><strong>199 115</strong></td>
</tr>
<tr>
<td>Liabilities to credit institutions</td>
<td>2 539</td>
<td>4 023</td>
<td>2 965</td>
<td>1 947</td>
<td>3 620</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>66 486</td>
<td>69 111</td>
<td>72 536</td>
<td>71 977</td>
<td>77 898</td>
</tr>
<tr>
<td>Securitised debt</td>
<td>76 032</td>
<td>83 873</td>
<td>94 269</td>
<td>86 847</td>
<td>96 423</td>
</tr>
<tr>
<td>Subordinated loan capital</td>
<td>2 133</td>
<td>2 109</td>
<td>2 001</td>
<td>1 832</td>
<td>1 997</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>2 497</td>
<td>2 019</td>
<td>1 971</td>
<td>1 907</td>
<td>2 711</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>149 687</strong></td>
<td><strong>161 135</strong></td>
<td><strong>173 742</strong></td>
<td><strong>164 510</strong></td>
<td><strong>182 649</strong></td>
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<tr>
<td><strong>Total equity certificate capital</strong></td>
<td><strong>2 945</strong></td>
<td><strong>2 977</strong></td>
<td><strong>3 169</strong></td>
<td><strong>2 814</strong></td>
<td><strong>3 032</strong></td>
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<tr>
<td><strong>Total primary capital</strong></td>
<td><strong>8 980</strong></td>
<td><strong>9 866</strong></td>
<td><strong>10 943</strong></td>
<td><strong>9 719</strong></td>
<td><strong>10 467</strong></td>
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<tr>
<td>Other equity</td>
<td>4 805</td>
<td>6 351</td>
<td>4 988</td>
<td>3 157</td>
<td>6 698</td>
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<tr>
<td><strong>Hybrid capital</strong></td>
<td><strong>980</strong></td>
<td><strong>955</strong></td>
<td><strong>1 204</strong></td>
<td><strong>1 456</strong></td>
<td><strong>1 205</strong></td>
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<tr>
<td><strong>Total equity</strong></td>
<td><strong>13 065</strong></td>
<td><strong>14 054</strong></td>
<td><strong>15 635</strong></td>
<td><strong>15 456</strong></td>
<td><strong>16 466</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td><strong>162 752</strong></td>
<td><strong>175 910</strong></td>
<td><strong>189 376</strong></td>
<td><strong>179 966</strong></td>
<td><strong>199 115</strong></td>
</tr>
</tbody>
</table>
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<p>| | |</p>
<table>
<thead>
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<tbody>
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<td>Profitability and growth</td>
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<td>8</td>
<td>Summary and long-term ambitions</td>
</tr>
</tbody>
</table>
High quality loan portfolio predominantly consisting of mortgages

Gross lending by customer group

- Retail: 73%
- Corporate: 27%
- Other retail: 3%
- Mortgages: 97%

Gross lending by region, 2018

- Hordaland: 67.7%
- Sogn og Fjordane: 8.1%
- Rogaland: 17.4%
- Rest of Norway: 6.5%
- Abroad: 0.3%

Key comments

- Retail lending constitutes 73% of lending, of which 97% are mortgages, making mortgages 71% of total gross loans.
- Real estate, shipping and primary industries are the largest sectors in corporate lending, of which real estate constitutes 36%.
- Hordaland is by far the largest region in Sparebanken Vest’s loan book, and also hosts the second largest city in Norway, Bergen.

Notes: As of 3Q19. 1) Other Corporate consists of: Wholesale & Retail (4%), Energy (4%), Industry (4%), Hotels and Restaurants (1%), Other financial undertakings (0.4%) and Municipal/Public sector (0.05%)
Retail loan book – Predominantly residential mortgages

On balance vs. covered bond transfers

Lending by loan size

Key Comments

- Retail lending is dominated by mortgages, which accounts for 96% of the loan portfolio.
- 69% of retail lending transferred to Sparebanken Vest Boligkreditt to ensure funding through the covered pool. Only prime residential mortgages with max LTV at 75% are transferred to the covered pool.
- Retail lending has grown by 4.5% over the last twelve months. 19% of the growth came from new customers, 45% from existing customers with their first mortgage loan, while the remaining 36% came from existing customers increasing their mortgage.

Notes: As of 3Q19. 1) Calculated as the size of the retail loan as a percentage of the market value of the collateral of the mortgage loan. On aggregated numbers within brackets of LTV ratios, only the part of a single loan exceeding a certain threshold of LTV is included in the next bracket of higher LTV ratio.
Corporate loan book – Diversified sector exposure

Corporate lending by sector
- Property management: 4%
- International shipping and transport: 4%
- Agriculture & forestry: 9%
- Building and construction: 12%
- Services: 19%
- Wholesale & retail: 16%
- Energy: 36%
- Industry: 1%
- Hotel and restaurants: 15%
- Other financials: 4%
- Public services: 1%

Notes: As of 3Q19

Loans by size: Strong SME presence
- 0-50m: 53%
- 50-200m: 31%
- >200m: 16%

Corporate real estate lending by segment
- Offices: 19%
- Mixed-use commercial buildings: 6%
- Residential: 8%
- Land for development: 12%
- Shopping Centers and Stores: 18%
- Building under construction: 13%
- Hotels: 11%
- Other: 18%

Shipping & Offshore lending by segment
- Chemical tankers: 27%
- Offshore: 23%
- Product tankers: 27%
- Dry bulk: 9%
- MPP: 6%
- Container: 14%
- Crude tankers: 10%
- Other: 19%

Notes: As of 3Q19
Corporate real estate portfolio with solid asset backing

Exposure per LTV interval¹

<table>
<thead>
<tr>
<th>LTV Interval</th>
<th>Exposure (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;= 10%</td>
<td>1%</td>
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<tr>
<td>10%-30%</td>
<td>4%</td>
</tr>
<tr>
<td>30%-40%</td>
<td>5%</td>
</tr>
<tr>
<td>40%-50%</td>
<td>6%</td>
</tr>
<tr>
<td>50%-60%</td>
<td>8%</td>
</tr>
<tr>
<td>60%-70%</td>
<td>22%</td>
</tr>
<tr>
<td>70%-80%</td>
<td>21%</td>
</tr>
<tr>
<td>80%-90%</td>
<td>21%</td>
</tr>
<tr>
<td>90%-100%</td>
<td>6%</td>
</tr>
<tr>
<td>&gt;100%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Lending exposure by LTV²

<table>
<thead>
<tr>
<th>LTV Interval</th>
<th>Exposure (%)</th>
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</thead>
<tbody>
<tr>
<td>&lt;= 70%</td>
<td>93.8%</td>
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<tr>
<td>70%-85%</td>
<td>3.4%</td>
</tr>
<tr>
<td>&gt;85%</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

Notes:
1) Collateral in other types of pledged assets than real estate not taken into account (guarantees, equipment, receivables etc.)
2) On aggregated numbers within brackets of LTV ratios, only the part of a single loan exceeding a certain threshold of LTV is included in the next bracket of higher LTV ratio
Shipping exposure performing well, offshore is mainly restructured

**Shipping exposure performing well**
- 87.3% Performing
- 12.7% Performing (but on watchlist)
- 4.1% Default

**Offshore exposure mainly restructured**
- 33.0% Performing
- 49.7% Restructured
- 13.2% Under restructuring
- 4.2% Default

**Comments**
- The shipping portfolio is to a very large extent performing
- Some companies on watchlist have high loan to value, but are performing
- Of the 4.1% default shipping exposure, 3.9 percentage points of that is related to one single loan within the multipurpose vessels segment
- The portfolio consists of 83 loans, of which 80 are performing (3 on watchlist)

**Comments**
- The offshore portfolio is split among 14 claims, with 49.7% of them already having been restructured
- The restructured loans typically pay around 25% of the original installments

Notes: As of 3Q19
Low level of loan losses and troubled commitments

Loan losses

NPLs and other potential bad debt

Provisions / NPLs and potential bad debt

Provisions / Gross loans

Provisions by method

Stages split¹

Notes: 1) Only loans recognized at amortized cost included (81% of net loans)
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</table>
Capital ratios as of 30 September 2019

- The bank meets the applicable combined minimum and buffer requirement of 12.0% plus the Pillar II requirement of 1.7%, in total 13.7%, by a good margin.
- The Basel 1 floor to be removed and the SME discount introduced.
- The bank will be subject to a CET1 requirement of 15.7% from 31 December 2019 if the Ministry of Finance’s proposal is adopted.
- Based on the CET1 ratio under the IRB approach at 30.09.2019 (incl. SME effect), the bank had a CET1 ratio of 17.0%.
- The 30.09.2019 IRB approach includes a 0.4 percentage point effect of the SME discount.
- Sparebanken Vest has a leverage ratio of 7.1%, well above regulatory requirements of 5%, and a total equity ratio of 8.3%.
Senior unsecured bonds are rated A1 with stable outlook

Moody’s ratings

<table>
<thead>
<tr>
<th>Type</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline credit</td>
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</tr>
<tr>
<td>Senior unsecured bonds</td>
<td>A1</td>
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<tr>
<td>Subordinated bonds</td>
<td>Baa2</td>
</tr>
<tr>
<td>Junior Subordinated bonds</td>
<td>Baa3</td>
</tr>
<tr>
<td>Long term deposits</td>
<td>A1</td>
</tr>
</tbody>
</table>

Sparebanken Vest Boligkreditt is Aaa

- Sparebanken Vest Boligkreditt was created to issue covered bonds of high credit quality
- The covered bonds issued by Sparebanken Vest Boligkreditt AS are rated Aaa by Moody’s – four notches “leeway”

Key comments

- Sparebanken Vest has official credit rating from Moody’s
- Moody’s highlights the bank’s strong regional retail franchise, good capital metrics, strong asset quality and resilient earnings performance in 2018 and the three months ended March 2019 on the back of lower impairments and higher net interest income
- Further, Moody’s state that the bank’s strong financial fundamentals compares favorably with those of similarly rated local and global peers
- Highlighted credit strengths:
  - Highly supportive operating environment in Norway which translates into a Very Strong Macro Profile
  - The bank’s solid capital provides a good loss-absorption buffer
  - The bank has relatively low impairments and strong underlying core earnings on the back of an increasing market share

Recent developments

- Moody’s changed the outlook for Sparebanken Vest’s rating to ‘A1 Stable’ from ‘A1 Negative’ on June 3rd 2019. In July 2017, Moody’s assigned a negative outlook on all Norwegian banks, based on the pending implementation of EU Bank Recovery and Resolution Directive (BRRD) and the consequences for the likelihood of government support for Norwegian banks
- BRRD was implemented in Norway on January 1st 2019. Moody’s has now removed the government support rating uplift to Sparebanken Vest and other Norwegian banks. Meanwhile, Moody’s view is that the expected issuance of MREL eligible securities over the next 2-3 years will provide more loss absorbing cushion in their Loss Given Failure (LGF) analysis, resulting in an additional notch of rating uplift for senior obligations. The net effect of these two elements is a change in the outlook from ‘Negative’ to ‘Stable’
- Bonds issued by Sparebanken Vest Boligkreditt AS are rated by Moody’s and have an Aaa rating with stable outlook
Diversified funding with satisfactory maturity profile

**Sources of funding**
- Deposits from customers: ~NOK 77.9bn
- Covered bonds: ~NOK 80.5bn
- Other market funding: ~NOK 16.4bn

**Capital market funding by type**
- Covered bonds: 14%
- Senior unsecured bonds: 8%
- Subordinated loans: 21%
- Credit institutions: 21%
- Other market funding: 12%

**Corporate deposits by sector**
- Construction: 11%
- Retail market: 8%
- Manufacturing and mining: 6%
- Power and water supply: 6%
- Building and construction: 6%
- Commerce: 3%
- International shipping and transport: 9%
- Hotel and restaurants: 3%
- Property management: 6%
- Services: 1%
- Municipal/public sector: 1%
- Other financial undertakings: 13%

**Capital market funding by maturity**
- 0-1 month: 103 NOKm
- 1-3 months: 1,924 NOKm
- 3-12 months: 12,058 NOKm
- 1-5 years: 63,827 NOKm
- Over 5 years: 19,141 NOKm

**Key comments**
- Sparebanken Vest had customer deposits of ~NOK 77.9bn, whereof 61% was related to the retail market and 39% to the corporate market.
- Total capital market financing amounted to ~NOK 96.9bn. 83% of the total capital market financing was related to covered bonds.
- Avg. time to maturity on securitised debt is 3.4 years.
- 54.1% of the securitized debt is in NOK, while the rest is mainly in EUR (44.6%).

Notes: As of 3Q19
Strong liquidity position substantially above requirements

### Sources of liquidity
- Certificates and bonds: ~NOK 21.2bn
- Other Liquid Assets: ~NOK 1.7bn

### Certificates and bonds by type
- Covered bonds: 55%
- Governments and government guaranteed: 16%
- Regional governments and local authorities: 27%
- Other: 2%

### Other liquid assets by type
- Loans to and receivables from credit institutions: 16%
- Cash to and receivables from central banks: 20%
- Shares at fair value through profit or loss: 64%

### Liquidity ratios
- Liquidity Coverage Ratio: 163%
- Net Stable Funding Ratio: 111%

### Key comments
- The Group’s liquidity situation is good and is managed at an overriding level using the Liquidity Coverage Ratio (LCR), stress tests and the deposits/loans ratio.
  - LCR-ratio of 163% is substantially higher than the requirement of 100%.
  - NSFR of 111% is well above potential 2021-requirement of 100%.
- Certificates and bonds constitutes the main part of the liquidity portfolio.

Notes: 1) Liquidity Coverage Ratio as the banks ability to cover its liquidity needs in a 30-day perspective. 2) NSFR measures long term liquidity risk, as Available amount of stable funding divided by required amount of stable funding.
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| 8  | Summary and long-term ambitions |
Sparebanken Vest’s objective is to achieve results that provide a competitive return on the bank’s equity.

The profit for the year after tax shall be divided between the equity capital certificate and primary capital in proportion to their relative share of the bank’s equity (the owner fraction).

The equity certificate holders’ share of the profit will be divided between dividend and the equalisation reserve.

Taking into account the bank’s capital adequacy, strategy and development, the goal is for up to 50% of the year’s profit to be distributed to dividend funds.

In 2019, Sparebanken Vest distributed a cash dividend of NOK 2.30 per equity certificate for the financial year 2018.

The distribution percentage was 40.7% for equity certificate holders and donations in 2018.

Under the previous model, the bank distributed significant funds for the public benefit. The Board is of the opinion that a large part of these funds can be paid out in the form of customer dividend.

The General meeting approved on September 6th the introduction of customer dividend.

Customer dividend will increase competitiveness and further strengthen the bank’s leading position in Western Norway.

There will be no change in distribution percentage for equity certificates.

The new model will be introduced with effect from and including the 2019 financial year, with payments starting in 2020.

Customers can receive dividend on loans up to NOK 2 million and on deposits up to NOK 2 million.

Based on 2018 figures, the customer dividend corresponds to 0.20% better loan/deposit terms.

Estimated increase in ROE of 0.6 percentage points (tax effect).

*Illustrated with new owner fraction and customer dividend.
Note that the dividend ratios for ECC equity and other equity should correspond to avoid dilution.

ECC dividend policy

- Under the previous model, the bank distributed significant funds for the public benefit. The Board is of the opinion that a large part of these funds can be paid out in the form of customer dividend.

Introducing customer dividends

- The General meeting approved on September 6th the introduction of customer dividend.

Illustration of allocation of profits*

- There will be no change in distribution percentage for equity certificates.
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- Customers can receive dividend on loans up to NOK 2 million and on deposits up to NOK 2 million.
- Based on 2018 figures, the customer dividend corresponds to 0.20% better loan/deposit terms.
- Estimated increase in ROE of 0.6 percentage points (tax effect).
Outlook and Growth Opportunities

Positive macro outlook
- The labor market is continuing to improve. Unemployment rates are down at pre 2014 oil crisis levels in Rogaland as well as in Hordaland.
- The Norwegian economy is currently experiencing a moderate and broad-based economic upturn.
- The regions in Western Norway are frontrunners with respect to traditional Norwegian industries such as oil & gas, shipping and fish farming.

The capability to stay competitive
- Sparebanken Vest has proven its capability to stay competitive and gain market shares.
- The introduction of customer dividends will strengthen the bank’s leading position in Western Norway.
- Continuous innovation and customer focus has resulted in Norway’s best mobile bank.
- Sparebanken Vest takes action on several fronts to mitigate climate change.

And then there is Bulder Bank
- A highly interesting growth opportunity.
- Innovative banking with swift and transparent digital solutions.
- Scalable platform enables rapid growth.
- Target of NOK 20bn in lending and ROE of 12% in 2021.
- Full-scale national launch happened in October 2019.

Sources: Statistics Norway (SSB)
Key features

- Strong cost control
- Strong market position and potential for profitable growth
- Ambitious organisational culture
- Digital initiatives with national ambitions
- Strong ESG focus
- Low risk and low loan losses – 73% retail lending
- ROE target of 12% and attractive dividend
- Goal: Among the top two with respect to return on equity
Overriding timeline for formal process

- **15th of Aug 2019:** Capital Markets Day and public announcement
- **16th of Aug 2019:** The Board’s recommendation to the General Meeting
- **16th of Aug 2019:** Matter sent to General Meeting
- **6th of Sept 2019:** Application sent to the Financial Authority
- **29th Oct 2019:** Approval from the Financial Supervisory Authority
- **Primo Nov 2019:** Conversion and formal establishment of the savings bank foundation
- **4th Quarter 2019:** Potential sale from Foundation

**Timeline Events:**

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### Main ECC owners and management ECC holdings

#### 10 largest ECC owners

<table>
<thead>
<tr>
<th>ECC holder</th>
<th>No. ECCs</th>
<th>Ownership in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. SPAREBANKSTIFTINGA HARDANGER</td>
<td>11 954 394</td>
<td>19.83</td>
</tr>
<tr>
<td>2. PARETO INVEST AS</td>
<td>4 506 060</td>
<td>7.47</td>
</tr>
<tr>
<td>3. SPAREBANKSTIFTELSEN SAUDA</td>
<td>3 700 354</td>
<td>6.13</td>
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<tr>
<td>4. VERDIPAPIRFONDET NORDEA NORGE VERD</td>
<td>3 529 893</td>
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<td>5. METEVA AS</td>
<td>2 932 314</td>
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<td>6. VPF EIKA EGENKAPITALBEVIS</td>
<td>1 983 970</td>
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<td>7. BERA AS</td>
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</tr>
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<td>8. LANDKREDITT UTBYTTE</td>
<td>1 300 000</td>
<td>2.15</td>
</tr>
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<td>9. BERGEN KOMMUNALE PENSJONSKASSE</td>
<td>950 000</td>
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<tr>
<td>10. STATE STREET BANK AND TRUST COMP</td>
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#### Ownership of ECCs in management

<table>
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<tr>
<th>ECC holder</th>
<th>No. ECCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan Erik Kjerpeseth (CEO)</td>
<td>130 744</td>
</tr>
<tr>
<td>Frank Johannesen (Executive Vice President / CFO)</td>
<td>55 777</td>
</tr>
<tr>
<td>Siren Sundland (Executive Vice President)</td>
<td>51 017</td>
</tr>
<tr>
<td>Bjørg Marit Eknes (Executive Vice President / CIO)</td>
<td>48 366</td>
</tr>
<tr>
<td>Ragnhild Janbu Fresvik (Executive Vice President)</td>
<td>29 726</td>
</tr>
<tr>
<td>Frank H. Bjørndal (Executive Vice President)</td>
<td>13 329</td>
</tr>
<tr>
<td>Tina Ødegård (Executive Vice President)</td>
<td>11 938</td>
</tr>
<tr>
<td>Jan-Ståle Hatlebakk (Executive Vice President / CRO)</td>
<td>6 638</td>
</tr>
</tbody>
</table>

As of October 1st 2019
Investor contacts

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jan.kjerpeseth@spv.no

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