The world is changing very fast. Big will not beat small anymore. It will be the fast beating the slow.

- Rupert Murdoch
SPAREBANKEN VEST

The bank was established in 1823 and has been listed on Oslo Børs since 1995
Norway's second oldest savings bank
Third biggest Norwegian-owned bank
Head office in Bergen, Hordaland
Thirty-eight branch offices in Hordaland, Sogn og Fjordane and Rogaland
The Group offers a wide range of services, incl. insurance, stockbroking and estate agency activities
More than NOK 160 billion in assets under management, and more than 260,000 retail customers and 10,000 corporate customers
Return on equity target: > 11%
'A long history is no guarantee that you won't be history tomorrow'
DIGITAL SHIFT AFFECTS INDUSTRIES DIFFERENTLY

STRATEGIC CHALLENGES

Shape the savings bank of the future in the digital transition that is taking place.

Renew ourselves while maintaining our distinctiveness and strengths.
INDEPENDENCE IS THE GOAL – PROFITABILITY IS THE ANSWER
Loss

Capital

A flexible organisation
STRONG POSITION IN THE RETAIL MARKET
- WELL-DIVERSIFIED POSITION IN THE CORPORATE MARKET

Lending portfolio NOK 133.9 bill.

Breakdown by sector in the corporate market NOK 32.4 bill.

Corporate market | Retail market

- REAL ESTATE
- BUILDING AND CONSTRUCTION
- AGRICULTURE AND FORESTRY
- SERVICE
- WHOLESALE AND RETAIL TRADE
- SHIPPING
- ENERGY
- INDUSTRY
- HOTELS AND RESTAURANTS
- OTHER FINANCIALS
- PUBLIC SERVICES
NEW ORGANISATION FROM DECEMBER 2015
- WITH THE GOAL OF FURTHER STRENGTHENING THE BANK’S CREDIT CULTURE

- Credit
- Risk analysis/control
- Risk models/validation
- Legal/compliance
- IR

- Regions
- Direct Bank CM (incl. back-office)
- Distressed enterprises
- Markets
MANY GOOD INITIATIVES HAVE BEEN IMPLEMENTED
- ENSURES INCREASED USE OF RISK-BASED CREDIT ASSESSMENT AND MANAGEMENT
EXAMPLES OF MEASURES UNDER IMPLEMENTATION
- RISK-SENSITIVE FOLLOW-UP/CONTROL, MORE ACCOUNTABILITY AND LESS MANAGEMENT BY RULES

1. Approval of credit decisions
2. Differentiated credit processes, new service concepts
3. Development of analysis tools, industry-adapted analysis models/case templates
4. More forward-looking models
5. Increased competence, establishment of industry teams
6. Grading and delivery requirements
BREAKDOWN OF LENDING, CORPORATE MARKET
- GROWTH IN COMMITMENTS UNDER MNOK 150 MILL.

By volume*

<table>
<thead>
<tr>
<th>Sector</th>
<th>1H 15</th>
<th>1H 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-50 mill</td>
<td>21,466</td>
<td>22,209</td>
</tr>
<tr>
<td>50-150 mill</td>
<td>9,642</td>
<td>10,264</td>
</tr>
<tr>
<td>over 150 mill</td>
<td>6,871</td>
<td>6,397</td>
</tr>
</tbody>
</table>

Breakdown by sector in the corporate market NOK 32.4 bill.

- REAL ESTATE
- BUILDING AND CONSTRUCTION
- AGRICULTURE AND FORESTRY
- SERVICE
- WHOLESALE AND RETAIL TRADE
- SHIPPING
- ENERGY
- INDUSTRY
- HOTELS AND RESTAURANTS
- OTHER FINANCIALS
- PUBLIC SERVICES

* Measured by commitments excl. the Jonsvoll company. Breakdown by sector refers to gross lending.
LIMITED LENDING TO THE OFFSHORE SEGMENT
- INCLUDING SEISMIC SECTOR AND CONSTRUCTION

- Total exposure of NOK 1.4 bill. constitutes 1.1% of the total portfolio
- Offshore mainly comprises construction ships
- LTV: Average of 62%, down from 64% in Q1 2016
- The biggest commitments have good contract coverage
- Many of the big commitments have already been restructured with long-term capital

<table>
<thead>
<tr>
<th>Segment</th>
<th>Lending MNOK</th>
<th># of vessels</th>
<th>LTV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction/Subsea</td>
<td>945</td>
<td>7</td>
<td>62 %</td>
</tr>
<tr>
<td>Seismic</td>
<td>148</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>PSV</td>
<td>158</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>ERRV</td>
<td>105</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Barge</td>
<td>86</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>SUM</td>
<td>1,442</td>
<td>21</td>
<td></td>
</tr>
</tbody>
</table>
DECREASE IN DEFAULTS AND OTHER POTENTIAL BAD DEBT*

*) Includes all defaults, not just defaults of payment. Includes commitments with individual write-downs, calculated as a percentage of the total lending volume.
LOW INDIVIDUAL LOSSES
- INCREASED GROUP WRITE-DOWNS TO OFFSET UNCERTAIN MACROECONOMIC SITUATION

Quarterly development

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Ind. Write downs</th>
<th>Group provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 15</td>
<td>35</td>
<td>-24</td>
</tr>
<tr>
<td>Q3 15</td>
<td>15</td>
<td>-24</td>
</tr>
<tr>
<td>Q4 15</td>
<td>70</td>
<td>-24</td>
</tr>
<tr>
<td>Q1 16</td>
<td>50</td>
<td>-24</td>
</tr>
<tr>
<td>Q2 16</td>
<td>21</td>
<td>-24</td>
</tr>
</tbody>
</table>

Breakdown in the period Q2 2015–Q2 2016

<table>
<thead>
<tr>
<th></th>
<th>Ind. Write downs</th>
<th>Group Provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 15</td>
<td>56</td>
<td>132</td>
</tr>
</tbody>
</table>
ROBUST PROVISION LEVEL
Loss

Capital

A flexible organisation

SparebankenVest
IMPROVED FINANCIAL STRENGTH – CORE TIER 1 CAPITAL RATIO 14.1%
CAPITAL DEVELOPMENT 2016 – ON SCHEDULE IN RELATION TO TARGET OF 14.5%

Core Tier 1 capital taking into account Basel I floor

<table>
<thead>
<tr>
<th></th>
<th>Q4 15</th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q4 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>13.7</td>
<td>13.8</td>
<td>14.1</td>
<td>14.5</td>
<td></td>
</tr>
</tbody>
</table>

Assumptions

- Stable lending margins in CM, pressure in RM
- Other income and expenses in line with earlier expectations/plan
- Lower restructuring costs and non-recurring items on the income side
- Growth slightly higher than originally planned
- Expected loss cost of NOK 150–200 mill.
- Change in pension scheme
2017: WELL CAPITALISED AND ATTRACTIVE DIVIDEND LEVEL

- A high proportion of retail market customers gives a considerable capital effect when excluding the Basel 1 floor
- Final phase of A-IRB in the corporate market will have a further positive capital effect
- Good credit quality, low exposure in industries exposed to cyclical fluctuations
- Good development in associated companies
- Owner fractions provide a basis for retention of a relatively larger proportion of profits
- Adapted dividend policy – 50–80% of the equity certificate holders’ share of profits
Loss

Capital

A flexible organisation
‘If the rate of change on the outside (of an organization) exceeds the rate of change on the inside, the end is near’

- Jack Welch
Simple strategy and clear direction
KAMPENE ER METODIKKEN VI BRUKER FOR Å REALISERE STRATEGIEN
Everything we do, we do to make life in Western Norway even better

Independence is the core of everything we do – the savings bank model

One of the top two banks in terms of return on equity
Trust, simplicity and local commitment – because it makes a difference

A modern personal savings bank
A professional commercial savings bank
Rationalise the bank's operations
The competition for housing loan customers
Simple strategy and clear direction

Management involvement
«We don’t resist change - we resist being changed»
Management involvement

Breakfast meetings

Simple strategy and clear direction
Welcome to breakfast meetings at Jonsvoll

The topic of the next breakfast meeting is organisational traps.

• How to avoid getting stuck in the status quo
• How to break out of dysfunctional behaviour patterns
• How to avoid or prevent what Chris Argyris calls 'traps' in his book

Preparation for the meeting
The book 'Organizational Traps' will form the basis for discussion. Everyone must read chapters 1 to 3.

Time and registration
Drude will send an invitation for both days. You register by choosing the day that suits you best, or, if applicable, rejecting both. Those who register will be sent a copy of the book.

KL and N2: 25 and 26 April 8.15–10.00 (breakfast from 8.00).
N3 managers: 29 April and 2 May, 8.15–10.00 (breakfast from 8.00).
Simple strategy and clear direction
Management involvement
Compliance with management principles
AD Lunch
AD Update video meetings
Jonsvoll Akademi
Breakfast meetings
Management development programme
Blog
MAIN GROUPS OF MEASURES UNDER ‘CUSTOMER 2016’

- New organisation and new service concepts
- Increased investments in technology
- Downsizing and adjusted expertise
CHANGE IN COST STRUCTURE AND COMPETENCE PROFILE

Number of branch offices

<table>
<thead>
<tr>
<th>Year</th>
<th>Office Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>71</td>
</tr>
<tr>
<td>2016</td>
<td>35</td>
</tr>
</tbody>
</table>

Historical development:

- 2011: 3 offices
- 2012: 4 offices
- 2013: 11 offices
- 2014/15: 9 offices
- 2016: 9 offices

Shift in resources and expertise:
- About 130 full-time equivalents out
- About 30 new full-time equivalents in
FLAT COST DEVELOPMENT

Cost development over the last two years

H1 14: 729 MNOK
H1 16: 728 MNOK

Development full-time equivalents and 2017 target

- Q2 15: 799
- Q3 15: 809
- Q4 15: 803
- Q1 16: 784
- Q2 16: 761
- Q1 17: 700

Cost control better than 2% target

Costs excl. restructuring costs
DEVELOPMENT IN MARGINS

Measured against average 3-month NIBOR
INCREASED NOMINAL NET INTEREST

- Net interest income and credit commissions (NOKm)
- Net interest income and credit commissions per capital unit (% p.a.)
GOOD GROWTH IN THE RETAIL MARKET

Retail market
Lending NOK 101.5 billion

Corporate market
Lending NOK 32.4 billion
VERY STRONG RESULT FROM FRENDE FORSIKRING

The companies' profit/loss after tax

<table>
<thead>
<tr>
<th></th>
<th>Q2 2016</th>
<th>Q2 2015</th>
<th>1H 2016</th>
<th>1H 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frende Forsikring</td>
<td>36</td>
<td>14</td>
<td>42</td>
<td>22</td>
</tr>
<tr>
<td>Norne Securities</td>
<td>-2</td>
<td>2</td>
<td>-5</td>
<td>3</td>
</tr>
<tr>
<td>Brage Finans</td>
<td>4</td>
<td>3</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Verd Boligkreditt</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Share of profit/loss from associated companies</td>
<td>39</td>
<td>20</td>
<td>47</td>
<td>34</td>
</tr>
</tbody>
</table>
Total profit for the second quarter and first half-year 2016
STRONGER RETURN ON EQUITY

Return on equity as percentage

Q2 15: 11.1
Q3 15: 8.9
Q4 15: 10.7
Q1 16: 8.8
Q2 16: 15

Return on equity excl. non-recurring effects*

Q2 15: 10.9
Q3 15: 8.9
Q4 15: 10.7
Q1 16: 9.8
Q2 16: 12.4

*Non-recurring effects, second quarter 2016: Restructuring costs NOK 55 million, Visa gain NOK 94 million, sale of property NOK 20 million
### Key Developments in the Second Quarter

<table>
<thead>
<tr>
<th></th>
<th>Profit Performance</th>
<th>Profit Performance Excl. Non-Recurring Effects*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre-tax Operating Profit</strong></td>
<td>NOK 504 MILL. (348)</td>
<td>NOK 445 MILL. (290)</td>
</tr>
<tr>
<td><strong>Good Return on Equity</strong></td>
<td>15% (11.1%)</td>
<td>12.4% (10.9%)</td>
</tr>
<tr>
<td><strong>Low Write-downs</strong></td>
<td>NOK 16 MILL. (38)</td>
<td>NOK 16 MILL. (38)</td>
</tr>
<tr>
<td><strong>Flat Cost Development</strong></td>
<td>NOK 418 MILL. (367)</td>
<td>NOK 362 MILL. (367)</td>
</tr>
</tbody>
</table>

*Figures in brackets: second quarter 2015

*Non-recurring effects, second quarter 2016: Restructuring costs NOK 55 million, Visa gain NOK 94 million, sale of property NOK 20 million*
### KEY DEVELOPMENTS IN THE FIRST HALF-YEAR

<table>
<thead>
<tr>
<th></th>
<th>PROFIT PERFORMANCE</th>
<th>PROFIT PERFORMANCE EXCL. NON-RECURRING EFFECTS*</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRE-TAX OPERATING PROFIT</td>
<td>NOK 826 MILL. (755)</td>
<td>NOK 771 MILL. (711)</td>
</tr>
<tr>
<td>GOOD RETURN ON EQUITY</td>
<td>11.9% (12.3%)</td>
<td>11.0% (11.7%)</td>
</tr>
<tr>
<td>LOW WRITE-DOWNS</td>
<td>NOK 42 MILL. (77)</td>
<td>NOK 42 MILL. (77)</td>
</tr>
<tr>
<td>GOOD COST DEVELOPMENT</td>
<td>NOK 788 MILL. (723)</td>
<td>NOK 728 MILL. (723)</td>
</tr>
</tbody>
</table>

- Non-recurring effects first half-year 2016: restructuring costs NOK 60 million, VISA gain NOK 94 million
- Non-recurring effects first half-year 2015: Basis swaps NOK 44 million
PROFIT AND BOOK VALUE OF EQUITY CERTIFICATES

Profit per equity certificate

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Profit per equity certificate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 15</td>
<td>1.59</td>
</tr>
<tr>
<td>Q3 15</td>
<td>1.31</td>
</tr>
<tr>
<td>Q4 15</td>
<td>1.54</td>
</tr>
<tr>
<td>Q1 16</td>
<td>0.99</td>
</tr>
<tr>
<td>Q2 16</td>
<td>1.73</td>
</tr>
</tbody>
</table>

Book equity per equity certificate

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Book equity per equity certificate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 15</td>
<td>58.1</td>
</tr>
<tr>
<td>Q3 15</td>
<td>59.4</td>
</tr>
<tr>
<td>Q4 15</td>
<td>45.6</td>
</tr>
<tr>
<td>Q1 16</td>
<td>45.5</td>
</tr>
<tr>
<td>Q2 16</td>
<td>47.3</td>
</tr>
</tbody>
</table>
New MWBs and the way forward
All of the bank's managers and certain advisors have been involved in the process.
NEW STRATEGIC BATTLES COMMENCE IN OCTOBER

'MORE LAYERS TO THE INCOME EQUATION'
'MORE ASSESSMENT OF THE HUMAN SIDE'
'MORE ACTION TO IMPROVE THE CUSTOMER EXPERIENCE'
Everything we do, we do to make life in Western Norway even better.

Independence is the core of everything we do – the savings bank model.

One of the top two banks in terms of return on equity.

Trust, simplicity and local commitment – because it makes a difference.

Teamwork • Bold • Inquisitive

Faster response time
Fix the basics
The battle for families
The self-service customer
‘HJERTEBANK’ (HEARTBEAT) FOR HARDANGER
28 APRIL

- 850 local participants
- Outdoor concert with Sivert Høyem etc.
- 126 nominations
- 4 external jury members
- NOK 1 million was allocated
‘HJERTEBANK’ (HEARTBEAT) FOR ROGALAND 6 OCTOBER

Tore Renberg will be master of ceremonies

Music by Hilde Selvikvåg, Hear Me Roar and Janove Ottesen

Launched 5 August

- Already received 237 nominations
MEASURES

☑ 76% retail market portfolio means lower risk
☑ Flat cost development in 2016 and 2017
☑ Low direct exposure to the oil and offshore sector
☑ Robust provision level, 3.1% provision in the corporate market portfolio
☑ Losses for 2016 estimated to be between NOK 150 and 200 million
☑ Solid capital base with a 14.1% Core Tier 1 capital ratio
☑ Ambitious measures to prepare for the digital revolution
☑ Attractive dividend policy and expectation of a high direct return from 2017

OUTLOOK
WE ARE HERE.
COMPOSITION OF DEPOSITS
– LARGE PROPORTION COVERED BY DEPOSITS GUARANTEE SCHEME
DEVELOPMENT IN NET INTEREST IN THE SECOND QUARTER

- Utlånsmargin: 584, 601
- Innskuddsmargin: -35, -1
- Utlånsvolum: 26, 19
- Innskuddsvolum: 16, 1
- Likviditet: 5, -13
- Sikringfondsavg: -1
- Andre poster: 0

Q2 2015 vs Q2 2016