Brief information about Sparebanken Vest

- Established in 1823 and 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%
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.
THE FIVE LARGEST LISTED COMPANIES IN THE US
LEARNING FROM THE PREMIER
Well Capitalized

Moderate risk and low losses

A proactive organization
IMPROVED FINANCIAL STRENGTH – CORE TIER 1 RATIO 14.8%

Basel 1 floor

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Capital</th>
<th>Additional Capital (Tier 2)</th>
<th>Hybrid Capital (Tier 1)</th>
<th>Core Tier 1 Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 Q3</td>
<td>15.3%</td>
<td>1.9%</td>
<td>1.3%</td>
<td>12.2%</td>
</tr>
<tr>
<td>2015 Q4</td>
<td>16.9%</td>
<td>1.9%</td>
<td>1.3%</td>
<td>13.7%</td>
</tr>
<tr>
<td>2016 Q1</td>
<td>17.0%</td>
<td>1.8%</td>
<td>1.3%</td>
<td>13.8%</td>
</tr>
<tr>
<td>2016 Q2</td>
<td>17.4%</td>
<td>2.2%</td>
<td>1.1%</td>
<td>14.1%</td>
</tr>
<tr>
<td>2016 Q3</td>
<td>18.6%</td>
<td>1.7%</td>
<td>1.1%</td>
<td>14.8%</td>
</tr>
</tbody>
</table>

IRB

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Capital</th>
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</tr>
</thead>
<tbody>
<tr>
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<td>2.0%</td>
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<td>13.0%</td>
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<td>18.6%</td>
<td>2.0%</td>
<td>1.4%</td>
<td>15.1%</td>
</tr>
<tr>
<td>2016 Q1</td>
<td>19.3%</td>
<td>2.1%</td>
<td>1.5%</td>
<td>15.7%</td>
</tr>
<tr>
<td>2016 Q2</td>
<td>20.4%</td>
<td>2.6%</td>
<td>1.3%</td>
<td>16.5%</td>
</tr>
<tr>
<td>2016 Q3</td>
<td>21.7%</td>
<td>2.6%</td>
<td>1.9%</td>
<td>17.2%</td>
</tr>
</tbody>
</table>
CORE TIER 1 CAPITAL ABOVE TARGET OF 14.5%

Core Tier 1 capital taking into account Basel I floor

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Tier 1 Capital %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 15</td>
<td>13.7%</td>
</tr>
<tr>
<td>Q1 16</td>
<td>13.8%</td>
</tr>
<tr>
<td>Q2 16</td>
<td>14.1%</td>
</tr>
<tr>
<td>Q3 16</td>
<td>14.8%</td>
</tr>
<tr>
<td>Q4 16</td>
<td>14.5%</td>
</tr>
</tbody>
</table>

Comments

Good development in Core Tier 1 Capital due to:
- Good profit accumulation
- Limited growth
- Capital measures

Dividend strategy

- Distribution percentage shall be between 50 and 80% of the equity holders' share of the profit.
- Sound capital adequacy and good profitability mean that the distribution percentage for 2016 is expected to be increased from the lower to the middle part of the dividend interval.
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
- Attractive dividend policy – 50–80% of the equity certificate holders' share of profits
Well capitalized

Moderate risk
And low losses

A proactive organisation
Vestlandsindeksen tar **pulsen** på Vestlandet

Den kvartalsvise forventningsindeksen for vestlandsk næringsliv

![Graph showing the performance index and expectation index from Q1 2012 to Q3 2016. The performance index is represented by a grey line, while the expectation index is represented by a red line. The values range from 56.4 to 68.9, with a general trend of decline over the years.]
CONSIDERABLE DIFFERENCES IN THE DEVELOPMENT IN HOUSE PRICES

<table>
<thead>
<tr>
<th></th>
<th>Bergen</th>
<th>Stavanger</th>
<th>Oslo</th>
<th>Norway</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price change past month</td>
<td>-0.9%</td>
<td>-1.2%</td>
<td>1.3%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Price change past 12 months</td>
<td>3.6%</td>
<td>-5.3%</td>
<td>18.5%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Price change past 5 years</td>
<td>31.0%</td>
<td>-0.4%</td>
<td>52.7%</td>
<td>34.3%</td>
</tr>
<tr>
<td>Time on market (no of days)</td>
<td>23</td>
<td>75</td>
<td>13</td>
<td>34</td>
</tr>
</tbody>
</table>

Figures as of September 2016
STRONG POSITION IN THE RETAIL MARKET
- WELL-DIVERSIFIED POSITION IN THE CORPORATE MARKET

Loan portfolio NOK 135.2 bill.

Breakdown by sector in the corporate market, NOK 32 bill.

- REAL ESTATE
- BUILDING AND CONSTRUCTION
- AGRICULTURE AND FORESTRY
- SERVICE
- WHOLESALE AND RETAIL TRADE
- SHIPPING
- ENERGY
- INDUSTRY
- HOTELS AND RESTAURANTS
- OTHER FINANCIALS
- PUBLIC SERVICES
BREAKDOWN IN LENDING, CORPORATE MARKET
- GROWTH IN COMMITMENTS UNDER NOK 150 MILL.

By volume*

<table>
<thead>
<tr>
<th>Sector</th>
<th>Q3 15</th>
<th>Q3 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-50 mill</td>
<td>21.793</td>
<td>22.254</td>
</tr>
<tr>
<td>50-150 mill</td>
<td>9.798</td>
<td>10.393</td>
</tr>
<tr>
<td>over 150 mill</td>
<td>8.290</td>
<td>6.760</td>
</tr>
</tbody>
</table>

Breakdown by sector in the corporate market, NOK 32 bill.

- REAL ESTATE: 14%
- BUILDING AND CONSTRUCTION: 8%
- AGRICULTURE AND FORESTRY: 5%
- SERVICE: 11%
- WHOLESALE AND RETAIL TRADE: 5%
- ENERGY: 10%
- INDUSTRY: 15%
- HOTELS AND RESTAURANTS: 5%
- OTHER FINANCIALS: 2%
- PUBLIC SERVICES: 0%

* 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

Loans to the corporate market NOK 32 billion

<table>
<thead>
<tr>
<th>Segment</th>
<th>Loans NOK million</th>
<th>Number of vessels</th>
<th>LTV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>782</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Seismic sector</td>
<td>118</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>PSV</td>
<td>300</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>ERRV</td>
<td>104</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Barges</td>
<td>77</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,381</td>
<td>21</td>
<td>62%</td>
</tr>
</tbody>
</table>

Comments
- Total exposure of NOK 1.4 bill. constitutes 1.1% of the total portfolio
- Offshore mainly comprises construction ships
- Reduced exposure to the offshore sector by NOK 200 mill. last year
- The biggest commitments have good contract coverage
- Many of the big commitments have already been restructured with long-term capital
STABLE LEVEL OF DEFAULTS AND POTENTIAL BAD DEBT*

*) Includes all defaults, not just default of payment. Includes commitments with individual write-downs, calculated as a percentage of the total lending volume.

**) Data as of the end of Q3 2016.
LOW INDIVIDUAL LOSSES
- INCREASED GROUP WRITE-DOWNS TO OFFSET UNCERTAIN MACROECONOMIC SITUATION

Quarterly development

Breakdown in the period Q3 2015–Q3 2016

Indivuelle nedskrivninger

Gruppendeskriveringer

18
UPGRADED OUTLOOK FROM MOODY’S
- NEGATIVE TO STABLE OUTLOOK

- The upgrade means that Moody’s expects Sparebanken Vest’s results to remain robust going forward, even in a period when the Norwegian economy is characterised by lower growth.
- Moody’s emphasises the bank’s good results for the first half-year 2016, increased capital adequacy and a favourable development in losses and defaults.
- Emphasis has also been placed on the bank’s healthy financial structure, with the majority of loans being housing loans, and a low exposure to the oil and offshore industry and commercial property in hard-hit areas of Rogaland and Hordaland.
Well capitalised

Moderate risk
And low losses

A proactive organisation
SERVICE CONCEPT CORPORATE MARKET

**Direct Bank CM**
- Expertise in consulting, sales and support for all services relating to payments, cash management and banking for all CM customers.
- Customer responsibility for companies with low complexity (small business)
  - Consulting
  - New- and upselling
  - Credit
- Expertise in startups

**Branch - region**
- Professionalize and streamline the operation of more complex corporate customers and build good relationships.
- Counseling is offered through the branch network of skilled advisers with expertise in risk selection together with relevant product specialists in customer team.
- Good local knowledge with strong local decision mandates

**Industry specialists - region**
- Enhance competency within industries that are large and important in Western Norway:
  - Energy and small hydro
  - Fisheries and Aquaculture
  - Shipping
  - Property
- Counseling is offered in the branch network preferably by industry specialist together with relevant product specialists in customer team
- Greater visibility in the market of the bank's industry expertise
DIGITAL DEVELOPMENT CORPORATE MARKET

- **Launches:**
  - SPING
  - Easier login Corporate Mobile Banking
  - More user-friendly access control for international payments
  - New group account structure
  - New version of Corporate Internet Banking that prepares for more self-service and with a new design

- **Focus next period:**
  - Further improve group account structure
  - «Become a Corporate Customer with BankID»
  - Better communicate by online forms/Internet Banking
  - Periodic verification of contact data of Corporate Customers
  - Accelerate digital bookings and sales / self-service features in Internet Banking
  - Integration of accounting into Internet Banking
SERVICE CONCEPT RETAIL MARKET

Branches
- Skilled advisers with local knowledge and local decision mandates
- Strengthened focus on quick response and appropriate advice when the customer is in touch with us in important events in their lives
- Minimize time spent on things the customer can manage self-served
- Good knowledge of digital solutions

Direct Bank RM
- Fully fledged "bank in the bank" with all services for customers who want to be served over the phone
- Availability every day 7-23
- Important support for customers using self-service solutions
- Very good knowledge of digital solutions

Digital
- Simple and customer-friendly Internet and Mobile Banking with customer satisfaction grade of 80.
- A high degree of self-service in retail bank
- Customers increasingly buy products digitally
- Available self loan process from Q4 for existing customers (consumer loans and mortgages)
DIGITAL DEVELOPMENT RETAIL MARKET

Launches:
- «Become a customer with BankID»
- Order/re-order debit card in Internet Bank and Mobile Bank
- View and delete disposition rights in Mobile Bank
- User testing of Digital Bank around in the city
- Card complaints in Mobile Bank
- Instant payment in payment app ready to launch

Focus next period:
- Self-service mortgages
- Self-service consumer loans
- Self-service of refinancing mortgages
- Digital mailbox for safe communication in Mobile Bank
- New features for settings, contact and consent in Internet and Mobile Banking
- New version of regional block for cards in the Internet and Mobile Bank
- Strategy for digital payments
MOBILE BANKING IS GROWING

- NUMBER OF LOG-INS FOR THE MOBILE BANK AND ONLINE BANK
**DIGITAL SALES – SHARE**

<table>
<thead>
<tr>
<th>Increasing share of sales is digital</th>
<th>Self-service</th>
<th>Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel insurance</td>
<td><img src="image" alt="2014" /></td>
<td><img src="image" alt="2015" /></td>
</tr>
<tr>
<td>Fund savings agreement</td>
<td><img src="image" alt="2014" /></td>
<td><img src="image" alt="2015" /></td>
</tr>
<tr>
<td>BSU (Housing savings for young people)</td>
<td><img src="image" alt="2014" /></td>
<td><img src="image" alt="2015" /></td>
</tr>
</tbody>
</table>

During summer 1 out of 3 travel insurance policies were sold self-served. From 2014 to 2016 (YTD) the share of self-service purchases has increased from 5% to 18%.

From 2014 to 2016 (YTD) the share of self-service purchases has increased from 13% to 47%.

From 2014 to 2016 (YTD) the share of self-service purchases has increased from 18% to 49%.
Robots simplify and improve work processes

- 17 work processes have been automated
- 138 working days saved so far

**Benefits**
- Reduced response times for customers
- Shorter lead times
- Standardisation and improvement of current processes
- Saves employees from doing simple, repetitive tasks
- Delivering a new automated process every 14 days
CHANGE IN COST STRUCTURE AND COMPETENCE PROFILE

Number of branch offices

<table>
<thead>
<tr>
<th>År 2011</th>
<th>År 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>71</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
CHANGE IN THE PENSION PLAN FOR EMPLOYEES WITH A DEFINED BENEFIT PENSION

- Adapting to new legislation
  - Increased predictability regarding cost for the bank
- 50% of the bank employees on defined benefit scheme
- All employees on common scheme from 2017
- The winding up of the scheme entails a plan change effect of NOK 245 million which reduces this year's pension expenses. Adjusted for new parameters within actuarial losses of NOK 73 million shown in the other comprehensive income the net capital effect is NOK 170 million before tax
LOWER COSTS

Cost development over the past year

Costs excluding restructuring costs.

Development in full-time equivalents and target for 2017
GOOD GROWTH IN THE RETAIL MARKET

**Retail market**
Lending NOK 103.3 billion

- Q3 Growth lending: 1.7%
- Average growth last three years: 7.9%

**Corporate market**
Lending NOK 32 billion

- Q3 Growth lending: -1.30%
- Average growth last three years: 4.10%

Growth in corporate market excluding currency is -0.4%.
DEVELOPMENT IN MARGINS
- CONTINUED PRESSURE ON LENDING MARGINS, STRENGTHENED DEPOSIT MARGINS

**Lending**

<table>
<thead>
<tr>
<th></th>
<th>Q3 - 15</th>
<th>Q4 - 15</th>
<th>Q1 - 16</th>
<th>Q2 - 16</th>
<th>Q3 - 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>2.07</td>
<td>2.01</td>
<td>1.90</td>
<td>1.93</td>
<td>1.69</td>
</tr>
<tr>
<td>Corporate</td>
<td>2.92</td>
<td>2.83</td>
<td>3.04</td>
<td>3.03</td>
<td>2.94</td>
</tr>
</tbody>
</table>

**Deposits**

<table>
<thead>
<tr>
<th></th>
<th>Q3 - 15</th>
<th>Q4 - 15</th>
<th>Q1 - 16</th>
<th>Q2 - 16</th>
<th>Q3 - 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>0.01</td>
<td>0.02</td>
<td>0.15</td>
<td>0.18</td>
<td>0.31</td>
</tr>
<tr>
<td>Corporate</td>
<td>0.31</td>
<td>0.25</td>
<td>0.21</td>
<td>0.15</td>
<td>0.11</td>
</tr>
</tbody>
</table>

Measured against average 3-month NIBOR.
STABLE NOMINAL NET INTEREST

Net interest income and credit commissions (NOKm) vs. Net interest income and credit commissions per capital unit (% p.a.)

Q3 2015: 1.50%
Q4 2015: 1.46%
Q1 2016: 1.51%
Q2 2016: 1.49%
Q3 2016: 1.44%
NEW STRATEGIC BATTLES COMMENCE IN OCTOBER

'MWB 3.0'
'The bank in a period of upheaval'

'FIX THE BASICS'

'FASTER RESPONSE TIME'

'THE SELF-SERVICE CUSTOMER'

'THE BATTLE FOR FAMILIES'
POSITIVE THIRD QUARTER FOR EIENDOMSMEGLERVEST

- Good sales development and growth in market shares
- Adjustment of organisation and office structure on track
- Extensive change programme continuing in 2017, with four ongoing main projects:

  **Rapid response** – significant reduction in response times for all kinds of enquiries

  **New visual profile** – all marketing material modernised and professionalised

  **Training concept** – focus on sales, customer experience and management

  **New technology platform** – Radical simplification for customers and estate agents

- **14.7%** Market share **Western Norway** – highest in 6 years

- **20.2%** Market share **Hordaland** – biggest estate agency in the county

- **16.2%** Market share **Bergen** - up from 13.6% in Q1

- **NOK 2.4 mill.** Pre-tax profit incl. restructuring costs
VERY STRONG PROFIT FROM FRENDE FORSIKRING

The companies' pre-tax profit/loss

Profit contribution, associated companies

<table>
<thead>
<tr>
<th></th>
<th>Q3 2016</th>
<th>Q3 2015</th>
<th>YtD 2016</th>
<th>YtD 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRENDE FORSIKRING</td>
<td>31</td>
<td>4</td>
<td>73</td>
<td>25</td>
</tr>
<tr>
<td>NORNE SECURITIES</td>
<td>-1</td>
<td>-3</td>
<td>-6</td>
<td>-1</td>
</tr>
<tr>
<td>BRAGE FINANS</td>
<td>4</td>
<td>3</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>VERD BOLIGKREDITT</td>
<td>2</td>
<td>1</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td><strong>Net profit from associated companies</strong></td>
<td><strong>35</strong></td>
<td><strong>5</strong></td>
<td><strong>82</strong></td>
<td><strong>39</strong></td>
</tr>
</tbody>
</table>
Summary of results, third quarter 2016
### KEY DEVELOPMENTS IN THE THIRD QUARTER

<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 769 MILL. (300)</td>
<td>NOK 466 MILL. (300)</td>
</tr>
<tr>
<td>GOOD RETURN ON EQUITY</td>
<td>20% (8.9%)</td>
<td>12.3% (8.9%)</td>
</tr>
<tr>
<td>LOSS TAKEN TO INCOME</td>
<td>NOK -36 MILL. (27)</td>
<td>NOK 22 MILL. (38)</td>
</tr>
<tr>
<td>GOOD COST DEVELOPMENT</td>
<td>NOK 96 MILL. (349)</td>
<td>NOK 339 MILL. (349)</td>
</tr>
</tbody>
</table>

Figures in brackets: third quarter 2015.

*Non-recurring effects, third quarter 2016: Pension scheme NOK 245 million, sale of monitored portfolio NOK 58 million, restructuring costs NOK 2 million.
STRONGER RETURN ON EQUITY

Return on equity as percentage

Return on equity excl. non-recurring effects*

Q3 15 | Q4 15 | Q1 16 | Q2 16 | Q3 16
---|---|---|---|---
8.9 | 10.7 | 8.8 | 15.0 | 20.0

Q3 15 | Q4 15 | Q1 16 | Q2 16 | Q3 16
---|---|---|---|---
8.9 | 10.7 | 9.8 | 12.4 | 12.3

*Non-recurring effects, third quarter 2016: Pension scheme NOK 245 million, sale of monitored portfolio NOK 58 million.
PROFIT AND BOOK VALUE OF EQUITY CERTIFICATES

Profit per equity certificate

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Profit per Certificate</th>
</tr>
</thead>
<tbody>
<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>
<tr>
<td>Q3 16</td>
<td>2.44</td>
</tr>
</tbody>
</table>

Book equity per equity certificate

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Book Equity per Certificate</th>
</tr>
</thead>
<tbody>
<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>
<tr>
<td>Q3 16</td>
<td>49.5</td>
</tr>
</tbody>
</table>
SUMMARY

✓ Strong profit of NOK 769 million (NOK 300 million)
✓ High return on equity: 20% (8.9%)
✓ A Core Tier 1 ratio of 14.8% provides a basis for higher distribution
✓ Low ordinary losses of NOK 22 million
✓ Good cost development of -2.8% over the past 12 months
✓ Moody’s has upgraded Sparebanken Vest’s outlook from ‘Negative’ to ‘Stable’
✓ Winding up of the bank’s defined benefit pension scheme had a non-recurring effect of NOK 245 million and a NOK 170 million capital effect
✓ Sale of a monitored portfolio had a non-recurring effect of NOK 58 million
OUTLOOK

- 76% retail market portfolio means lower risk
- Low direct exposure to the oil and offshore sector
- Estimated losses for 2016 between NOK 100 and 150 million
- Solid capital base with a 14.8% Core Tier 1 ratio
- Ambitious measures to prepare for the digital shift
- Flat cost development in 2016 and 2017
- Attractive dividend policy and expectation of a high direct return from 2017
WE ARE HERE.
RETURN ON EQUITY OVER TIME

2006: 17.9%
2007: 16.2%
2008: 4.9%
2009: 8.0%
2010: 11.3%
2011: 8.7%
2012: 14.1%
2013: 11.7%
2014: 13.7%
2015: 11.0%
Q3 16: 14.3%