THREE-TIER DIGITAL STRATEGY

• In-house development:
  • Opportunities for a differentiated customer experience
  • What we perceive to be our core services

• Purchase of off-the-shelf solutions:
  • Product/service as hygiene factor only

• Strategic partnerships:
  • Vipps
  • Fintech
RANKING OF NORWEGIAN MOBILE BANKING SOLUTIONS

<table>
<thead>
<tr>
<th>Bank</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sparebanken Vest</td>
<td>4,45</td>
</tr>
<tr>
<td>Danske Bank</td>
<td>3,9</td>
</tr>
<tr>
<td>Sparebank 1</td>
<td>3,65</td>
</tr>
<tr>
<td>SPBK Sogn og Fjordane</td>
<td>3,55</td>
</tr>
<tr>
<td>Handelsbanken</td>
<td>3,45</td>
</tr>
<tr>
<td>Skandiabanken</td>
<td>3,35</td>
</tr>
<tr>
<td>Nordea</td>
<td>3,1</td>
</tr>
<tr>
<td>DNB</td>
<td>3,05</td>
</tr>
</tbody>
</table>

Average of customers’ rating in iTunes (iPhone) and Google Play (Android)*

Figures from 5 April 2017.
*A total of 15,275 respondents.
KEY DEVELOPMENTS IN THE FIRST QUARTER

✓ Ambitious measures to prepare for the digital shift, Vipps
✓ AIRB approved for the corporate market
✓ Improved profit performance for Q1: NOK 432 million (NOK 322 mill.)
✓ Higher return on equity: 10.6% (8.8%)
✓ Net interest 1.47% (1.51%), up from 1.43% in the fourth quarter
✓ Higher contribution from associated companies: NOK 28 million (NOK 8 mill.)
✓ Lower cost development: NOK 355 million (NOK 370 mill.)
✓ Core Tier 1 capital: 14.8%
✓ Low losses: NOK 29 million (NOK 26 mill.)
Financial strength and capital efficiency

Moderate risk and low losses

A performance oriented bank with ambitious digital strategy

SparebankenVest
Sparebanken Vest is recognised as an advanced bank with very good internal credit models and risk management processes.

That the bank can calculate the regulatory capital requirement using internal models for both the corporate and retail markets.

An improvement in Core Tier 1 capital of 1.1 percentage points under AIRB at the end of the first quarter.
CONSIDERABLE EFFECT OF AIRB APPROVAL
- FINANCIAL STRENGTH – CORE TIER 1 CAPITAL 14.8%
LOW LENDING RISK AND HIGH EQUITY RATIO
- ABOVE REGULATORY REQUIREMENTS EVEN WITH HIGH RETAIL SHARE

Core Tier 1 capital

Leverage ratio

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Core Tier 1 capital</th>
<th>Leverage ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 16</td>
<td>13.8</td>
<td>6.1</td>
</tr>
<tr>
<td>Q2 16</td>
<td>14.1</td>
<td>6.1</td>
</tr>
<tr>
<td>Q3 16</td>
<td>14.8</td>
<td>6.6</td>
</tr>
<tr>
<td>Q4 16</td>
<td>14.9</td>
<td>7.3</td>
</tr>
<tr>
<td>Q1 17</td>
<td>14.8</td>
<td>7.1</td>
</tr>
</tbody>
</table>
GOOD GROWTH IN THE CORPORATE AND RETAIL MARKETS

Retail market
Lending 106.2 billion

Corporate market
Lending 33.4 billion
IMPROVED NET INTEREST FROM FOURTH QUARTER
- REPRICING WITH EFFECT FROM JANUARY

Development in nominal net interest

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2016</th>
<th>2016</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>609</td>
<td>601</td>
<td>592</td>
<td>597</td>
</tr>
</tbody>
</table>

Net interest as % of assets under management

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2016</th>
<th>2016</th>
<th>2016</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>1.51%</td>
<td>1.49%</td>
<td>1.44%</td>
<td>1.43%</td>
<td>1.47%</td>
</tr>
</tbody>
</table>
IMPROVED MARGINS IN TOTAL

Lending

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Retail</th>
<th>Corporate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2016</td>
<td>3.04</td>
<td>1.90</td>
</tr>
<tr>
<td>Q2 2016</td>
<td>3.03</td>
<td>1.93</td>
</tr>
<tr>
<td>Q3 2016</td>
<td>2.95</td>
<td>1.70</td>
</tr>
<tr>
<td>Q4 2016</td>
<td>2.95</td>
<td>1.62</td>
</tr>
<tr>
<td>Q1 2017</td>
<td>3.09</td>
<td>1.78</td>
</tr>
</tbody>
</table>

Deposits

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Retail</th>
<th>Corporate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2016</td>
<td>0.21</td>
<td>0.24</td>
</tr>
<tr>
<td>Q2 2016</td>
<td>0.15</td>
<td>0.30</td>
</tr>
<tr>
<td>Q3 2016</td>
<td>0.18</td>
<td>0.36</td>
</tr>
<tr>
<td>Q4 2016</td>
<td>0.22</td>
<td>0.21</td>
</tr>
<tr>
<td>Q1 2017</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Measured against 3 month average Nibor.
Financial strength and capital efficiency

Moderate risk and low losses

A performance oriented bank with ambitious digital strategy

SparebankenVest
Vestlandsindeksen tar puls på Vestlandet

Den kvartalsvis forventningsindeksen for vestlandsk næringsliv
STRONG POSITION IN THE RETAIL MARKET
- WELL-DIVERSIFIED POSITION IN THE CORPORATE MARKET

Loan portfolio NOK 139.6 bill.

Breakdown by sector in the corporate market, NOK 33.4 bill.
LOW RISK IN THE RETAIL PORTFOLIO
- LOW EXPOSURE TO CONSUMER LOANS, 96 % MORTGAGE LOANS

LOANS BROKEN DOWN BY LTV RATIO

<table>
<thead>
<tr>
<th>LTV Ratio</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTV &lt;= 70 %</td>
<td>94.7%</td>
</tr>
<tr>
<td>70 - 85 %</td>
<td>4.1%</td>
</tr>
<tr>
<td>LTV &gt; 85 %</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

BROKEN DOWN BY REGION

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hordaland</td>
<td>74%</td>
</tr>
<tr>
<td>Rogaland</td>
<td>14%</td>
</tr>
<tr>
<td>Sogn og Fjordane</td>
<td>7%</td>
</tr>
<tr>
<td>Rest of Norway</td>
<td>4%</td>
</tr>
<tr>
<td>Abroad</td>
<td>1%</td>
</tr>
</tbody>
</table>
LOW CONCENTRATION RISK IN CORPORATE MARKET

Breakdown by volume*

<table>
<thead>
<tr>
<th>Category</th>
<th>Q1 16</th>
<th>Q1 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-50 mill</td>
<td>24.068</td>
<td>24.285</td>
</tr>
<tr>
<td>50-150 mill</td>
<td>9.639</td>
<td>10.355</td>
</tr>
<tr>
<td>over 150 mill</td>
<td>6.560</td>
<td>7.688</td>
</tr>
</tbody>
</table>

* Measured by commitments excl. Jonsvoll company. Sectoral distribution is gross lending.
LIMITED LENDING TO THE OFFSHORE SEGMENT
- INCLUDING SEISMIC SECTOR AND CONSTRUCTION

Loans to the corporate market NOK 33.4 bill.

Comments
- Total exposure below NOK 1.350 bill. constitutes approx. 1% of the total portfolio
- Offshore mainly comprises construction ships
- Reduced exposure to the offshore sector by NOK 150 mill. last year due to repayment and exchange rate effects
- The biggest commitments have good contract coverage
- Many of the big commitments have already been restructured with long-term capital

Overview offshore portfolio

<table>
<thead>
<tr>
<th>Segment</th>
<th>Loans NOK million</th>
<th>Number of vessels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>764</td>
<td>7</td>
</tr>
<tr>
<td>Seismic sector</td>
<td>127</td>
<td>6</td>
</tr>
<tr>
<td>PSV</td>
<td>261</td>
<td>2</td>
</tr>
<tr>
<td>ERRV</td>
<td>134</td>
<td>5</td>
</tr>
<tr>
<td>Barges</td>
<td>79</td>
<td>1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,365</td>
<td>21</td>
</tr>
</tbody>
</table>
STABLE LEVEL OF DEFAULTS AND 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.
ROBUST AND STABLE LEVEL OF PROVISIONS
LOW INDIVIDUAL LOSSES
- LOWERING LOSS EXPECTATIONS TO MNOK 150–175 FOR 2017

Quarterly development

<table>
<thead>
<tr>
<th></th>
<th>Ind. Write downs</th>
<th>Group provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 16</td>
<td>50</td>
<td>26</td>
</tr>
<tr>
<td>Q2 16</td>
<td>21 -5</td>
<td></td>
</tr>
<tr>
<td>Q3 16</td>
<td>36 -15</td>
<td></td>
</tr>
<tr>
<td>Q4 16</td>
<td>9 24</td>
<td></td>
</tr>
<tr>
<td>Q1 17</td>
<td>25</td>
<td></td>
</tr>
</tbody>
</table>

Breakdown Q1 2016–Q1 2017

<table>
<thead>
<tr>
<th></th>
<th>Ind. Write downs</th>
<th>Group Provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 16</td>
<td>56</td>
<td>69</td>
</tr>
</tbody>
</table>
Financial strength and capital efficiency

Moderate risk and low losses

A performance oriented bank with ambitious digital strategy

SparebankenVest
CHANGES IN TOP MANAGEMENT TO MEET VIPPS LAUNCH

Managing Director
Jan Erik Kjerpeseth

Risk Management
Frank Johannesen

Operational Services
Siren Sundland

CSR
Hallgeir Isdahl

Innovation and Customer Experience
Bjørg Marit Eknes

Retail Market
Frank Bjørndal

Corporate Market
Ragnhild J Fresvik

Managing Director
Jan Erik Kjerpeseth

Risk Management
Frank Johannesen

Operational Services
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Bjørg Marit Eknes

Retail Market
Frank Bjørndal

Corporate Market
Ragnhild J Fresvik

Sparebanken Vest
GOOD TO GREAT
FROM
IN SPAREBANKEN VEST
A MORE PERFORMANCE-ORIENTED ORGANIZATIONAL CULTURE

Section 11
May 4th
Culture and the flywheel effect – in light of MWB
KL+ LU2+LU3

Gathering 10
12-13 January
Performance Management and Strategic Discipline

Gathering 10
25-26 January
Performance Management and Strategic Discipline

Gathering 10
1-2/8-9 February
Performance Management and Strategic Discipline

ALG*

Gathering 12
31 August – 1. Sept.
Performance Management and Strategic Discipline

Gathering 12
20-21 September
Performance Management and Strategic Discipline

Gathering 12
18-19/25-26 October
Performance Management and Strategic Discipline

ALG*

Gathering 13
16 November
Culture and the flywheel effect – in light of MWB
Full day gathering
KL+ LU2+LU3

LÅVELEIK
7.9.17

* ALG – Action Learning Group
Welcome to ‘Fagfrokost’ at Jonsvoll

The theme for the next ‘fagfrokost’ (breakfast gathering) is management, and initially this time is Jim Collin’s first book "Built to Last".

Preparation for the gathering
• Read an extract of "Built to Last" that follows this email in its own pdf.
• Repeat Jim Collins’s concepts in the three books by looking at the short video nuts that explain the concepts in 1 minute.
• Reflection on how far we have come on our journey from ‘Good to Great’. ‘Use Jim Collin’s tools and score the bank in the areas you perceive as relevant.

The dialogue for the breakfast gathering will be structured around the tool in point 3.
TARGETED EFFORTS LOWER COSTS
- DEVELOPMENT EXCEEDS TARGET

Cost development over the past year

Development in full-time equivalents

Q1 16: 370 MNOK
Q1 17: 355 MNOK

Q4 15: 803
Q1 16: 784
Q2 16: 761
Q3 16: 748
Q4 16: 713
Q1 17: 708
The banks that will succeed in the future are the ones that invest in **hands-on, in-house development**, focusing on the digital user experience.
IN HOUSE DEVELOPMENT GIVES CONSIDERABLE RESULTS

New fund saving agreements, monthly

- Digital sales of fund savings agreements have doubled over the past year
- Threefold increase in digital general insurance sales
- 88% e-signed cases in the corporate market
LEAN AND ROBOT TEAM OF 9 PEOPLE
- NEW PROCESS IS AUTOMATED EVERY 14 DAYS

Our robots give us

- Reduced response time
- Lower costs
- Increased quality
- Higher digital sales

68,924 cases solved

38 Processes automated

Equals
9 FTEs

Our robots give us LEAN AND ROBOT TEAM OF 9 PEOPLE - NEW PROCESS IS AUTOMATED EVERY 14 DAYS

Our robots give us

- Reduced response time
- Lower costs
- Increased quality
- Higher digital sales

68,924 cases solved

38 Processes automated

Equals
9 FTEs
SUCCESSFUL LAUNCH OF NEW DIRECT BANKING IN THE CORPORATE MARKET

Reorganized corporate market

New direct bank for smaller corporate customers

Short distance between direct banking company and IT development

The result is good IT tools for employees and customers

High KTI (91) on total service offerings in the direct bank

High KTI (85) on response time credit
Established partnership with Norway's premier online accounting program

Integrated with online banking business

Enhanced digital user experiences

Value-creating and easy for the customers
VERY STRONG PROFIT PERFORMANCE BY FRENDE FORSIKRING

The companies’ pre-tax profit/loss
NOK mill.

Profit contribution, associated companies

<table>
<thead>
<tr>
<th>MNOP</th>
<th>Q1 2017</th>
<th>Q1 2016</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frende Forsikring</td>
<td>22</td>
<td>6</td>
<td>97</td>
</tr>
<tr>
<td>Nome Securities</td>
<td>1</td>
<td>-3</td>
<td>-7</td>
</tr>
<tr>
<td>Brage Finans</td>
<td>5</td>
<td>3</td>
<td>16</td>
</tr>
<tr>
<td>Other companies</td>
<td>0</td>
<td>2</td>
<td>7</td>
</tr>
</tbody>
</table>

Share of profit/loss from associated companies

<table>
<thead>
<tr>
<th>Q1 2017</th>
<th>Q1 2016</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>28</td>
<td>8</td>
<td>113</td>
</tr>
</tbody>
</table>

- Frende valued at 466 MNOP
FRENDE ON TOP

- BEST CUSTOMER SERVICE FOR THE 2ND CONSECUTIVE YEAR, BEST TRAVEL INSURANCE 6TH CONSECUTIVE YEAR
Summary of results for the first quarter
RETURN ON EQUITY AND C/I

Return on equity as percentage

Q1 16 | Q2 16 | Q3 16 | Q4 16 | Q1 17
---|---|---|---|---
8.8% | 15% | 20% | 9% | 11%

Development in cost ratio (C/I)

Q1 16 | Q2 16 | Q3 16 | Q4 16 | Q1 17
---|---|---|---|---
51.5% | 45.9% | 11.8% | 50.5% | 44.3%
PROFIT AND BOOK VALUE PER EQUITY CERTIFICATE

Profit per equity certificate

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q4 16</th>
<th>Q1 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.99</td>
<td>1.73</td>
<td>2.44</td>
<td>1.08</td>
<td>1.26</td>
</tr>
</tbody>
</table>

Book equity per equity certificate

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q4 16</th>
<th>Q1 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>45.5</td>
<td>47.3</td>
<td>49.5</td>
<td>50.6</td>
<td>47.3</td>
</tr>
</tbody>
</table>
## KEY DEVELOPMENTS

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PRE-TAX OPERATING PROFIT</strong></td>
<td>NOK 432 MILL. (322)</td>
</tr>
<tr>
<td><strong>HIGHER RETURN ON EQUITY</strong></td>
<td>10.6% (8.8%)</td>
</tr>
<tr>
<td><strong>LOWER COSTS</strong></td>
<td>NOK 355 MILL. (370)</td>
</tr>
<tr>
<td><strong>LOW LOSSES</strong></td>
<td>NOK 29 MILL. (26)</td>
</tr>
</tbody>
</table>
MEASURES

- 76% retail market portfolio means lower risk
- Flat cost development
- Moderate losses, estimated to NOK 150–175 million
- Solid capital base above official requirements at all times
- Increase in lending growth
- Return on equity over time of 11%
- Attractive dividend policy and expectation of a high direct return

OUTLOOK
WE ARE HERE.